

BALANCING SECURITY AND COMMERCE

HEARING BEFORE THE SUBCOMMITTEE ON INFRASTRUCTURE AND BORDER SECURITY OF THE SELECT COMMITTEE ON HOMELAND SECURITY HOUSE OF REPRESENTATIVES ONE HUNDRED EIGHTH CONGRESS FIRST SESSION

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BALANCING SECURITY AND COMMERCE

Monday, June 16, 2003

U.S. HOUSE OF REPRESENTATIVES,
SUBCOMMITTEE ON INFRASTRUCTURE
AND BORDER SECURITY,
SELECT COMMITTEE ON HOMELAND SECURITY,
Washington, D.C.

The committee met, pursuant to call, at 3 p.m., in Room 345, Cannon House Office Building, Hon. Dave Camp [chairman of the subcommittee] presiding.

Present: Representatives Camp, Smith, Diaz-Balart, Shadegg, Sweeney, Cox (ex officio), Sanchez, Markey, Slaughter and Pascrell.
Also Present: Representative Turner.

Mr. CAMP. Good afternoon, and I would like to welcome everyone and thank you for attending today's hearing. The Subcommittee on Infrastructure and Border Security will hear testimony from Robert Bonner, the Commissioner of the Bureau of Customs and Border Protection within the Department of Homeland Security, and Rich Stana, the Director of the Homeland Security and Justice Division at GAO.

We had talked earlier about limiting opening statements, but I think what we will do is just follow regular order under the committee's business, and I will begin with my opening statement.

Again, I would like to thank the Commissioner for being here and his willingness to appear before us today. The Bureau of Customs and Border Patrol has existed for a little more than 100 days in its current organizational structure. Without lapsing in its security mission, Customs and Border Patrol has brought together functions from three different agencies, Customs, INS and the Agriculture and Plant Health Inspection Service.

Customs and Border Patrol is comprised of over 40,000 employees, and its primary mission is to prevent terrorists and terrorist weapons from entering the United States. During the reorganization of the government to create the Department of Homeland Security, several nonsecurity missions were transferred into DHS. According to the mission statement, Customs and Border Patrol has responsibility for stopping illegal immigration, illegal drugs and other contraband from entering the United States; protecting agriculture from disease and foreign pests; regulating and facilitating international trade; collecting import duties; and enforcing U.S. trade laws. That is a tall order, and each component is essential.

Commissioner Bonner, we have invited you here today to address one aspect of your mission, how to balance security enhancements with the flow of people and commerce across our borders.

The global trading system is increasingly reliant on the swift delivery of goods produced overseas. America's economic stability requires that goods and people cross through our borders and in and out of the country regularly without long delays. Our security also requires that we know who and what is entering.

September 11 and immediately following, it was not uncommon to have 8- to 10-hour delays on the border. Economic effects of these delays were staggering. In my home State of Michigan the port of entry between Detroit and Windsor, Canada, the busiest land crossing in the United States, had delays over 10 hours. Manufacturers in Detroit depend on just-in-time deliveries for production lines, and any delay means a loss of revenue and jobs. The situation is greatly improved at most points of entry around the Nation with the implementation and expansion of FAST, NEXUS, SENTRI and C-TPAT programs. We can preclear our trusted travelers while focusing on unknown and high-risk people and goods.

Key to targeted inspections is reliable intelligence information. With more than 11 million cargo trucks crossing land borders each year and many millions more passenger vehicles, how do you gather good information to target high-risk vehicles? Debate abounds on how much cargo both at land and seaports can and should be searched. The private sector understands that in the new security climate additional reporting requirements will become standard obligations. An example is the 24-hour rule. Ninety percent of the world's cargo travels via containers, and approximately 6 million containers enter the U.S. each year. We can no longer accept cargo descriptions such as "freight any kind" or "general freight." Ambiguity is unacceptable when addressing our security vulnerability.

Our border inspectors need complete manifests prior to arrival to determine which cargo containers and passengers fall into the high-risk category; however, where we can, we must develop electronic filing systems and uniformity in requirements so that different government agencies are not demanding duplicate data reporting that unnecessarily burdens commerce.

The goal of the ACE system, for example, is to promote the flow of legitimate commerce while improving security operations. I am interested in hearing more details about ACE, when it will be ready, what exactly it will do, and why it is better than the current system.

I am also interested in hearing your thoughts on the most appropriate methods for cargo screening pursuant to requirements in the Trade Act of 2002 for land, air, and rail transportation. Congress mandated the advanced manifests, and I know that Customs and Border Patrol is developing programs and policies for implementation. It is the status of the manifest requirements as well as screening for potential terrorist weapons especially in air and rail cargo. We have heard a lot from Customs and Border Patrol about pushing security outside our physical borders to foreign ports, using reverse inspection and screening U.S.-bound cargo at foreign ports. I look forward to hearing from both our panels on the status of these proposals, challenges and how they will improve security.

Customs and Border Patrol has vast and important responsibility. Using Congress, private sector and groups such as GAO as a resource, I am confident the new Department and especially the

Bureau of Customs and Border Patrol will provide top-of-the-line security and implement technology and human resources to maintain the flow of trade and travel through our Nation.

Mr. CAMP. At this time I yield to the Ranking Member, the gentlewoman from California, Ms. Sanchez.

Ms. SANCHEZ. Thank you, Commissioner Bonner, for being with us today and taking the time to testify before this subcommittee. You have probably been reading the newspapers and seen all the information with respect to many of the aspects that you are supposed to handle now that you are Under Secretary.

I am pleased that the subcommittee is meeting today and that we are going to hear firsthand what is happening with some of our ports of entry. Today's hearing topic, balancing security and commerce, gets at the heart of the challenge to this country and to the Department of Homeland Security, to the heart of what we are really facing. The Bureau of Customs and Border Protection and its 30,000 employees are charged with making sure that dangerous goods and people are denied access to this country, while at the same time guaranteeing that all legitimate cargo and visitors are welcome here, and it is a very daunting task to try to do.

The Department's efforts to think outside of physical boundaries to become our last line of defense is an ambitious one, and I agree with you, it is an important one. I agree with your objectives, and I support your mission, and I look forward to trying to understand just how far you have gotten down the path of trying to do all that and, more importantly, how we here on this committee, as the extension of Congress that is really tasked with helping to make our country safer and Americans safer, not just perceived, but truly safe, has been an important issue for me the past—well, since 9/11 in particular, but even before then.

I do have concerns, however, and I have voiced them before. I voiced them before to Secretary Ridge the last time he was in front of us, and it is how well this mission is proceeding at present, what resources we are allocating, what is really happening on the front line; not just what the programs are or what the vision is, but are we really meeting the tactical tests that we need to do in order to get to the point where I can go out and tell America, yes, you are safer since 9/11 because we have had 30,000 employees in this particular arena trying to decide what should be in and what should be out of this country.

Earlier this year I attended a strategic policy forum at the National Defense University with other Members of Congress and executive branch officials, military leaders, and we were presented with a series of strategic-level simulation exercises dealing with homeland security and port security. We saw how an attack could potentially hurt us not necessarily from a mental state, which terrorism really is, but an economic state, because the reality is when we make efforts as a country because of a terrorist attack or potential terrorist attack, we are also affecting the economic viability of our ports or our overland crossings.

As a member of California, I saw that in particular at the 10-day slowdown that we had at the Port of Long Beach and Los Angeles just this past few months where we lost over \$1 billion a day in trade and economic activity because of that slowdown. And it

wasn't just the Long Beach/Los Angeles or southern California area, it affected the entire United States. And any homeland security expert would agree that the highest security risk in our Nation are those targets that allow for the lowest risk of detection while dealing the most severe blow possible.

Unfortunately, when I think about the ports—and I have visited those ports, and I have also gone up to Oakland, San Francisco. I am about to take a trip down to Houston to try to understand what is happening. Seaport managers have reported that they aren't getting enough intelligence to perform basic security functions. And the Container Security Initiative relies primarily on the manifest, the cargo manifest information. And we know historically, as my colleague here pointed out, that it is not necessarily filled out correctly. We are relying on other people's words about what is sitting there, and it is unreliable even in the commercial trade industry.

The Customs–Trade Partnership Against Terrorism programs, designed to ensure supply-side security in exchange for expediting processing times, doesn't have enough manpower for compliance is what I am hearing at the different ports. And Customs and immigration inspectors at borders are still using numerous antiquated databases that still are not fully integrated.

In short, I think there are a lot of holes, and right now I am speaking particularly to seaports, but there are a lot of problems in our overland crossings. California has one to the south. There is a real concern when we went up to the north border in Buffalo that somehow whatever we do up there will affect commerce also. So there is this balance of what do we have to do to ensure we know what is coming in and what is safe for our people. How do we know who is supposed to be here and who is not, and who is entering, and at the same time how do we still make it an easy, not expensive task of getting in the right goods and the right people?

So I look forward to hearing from you. In particular my questions will focus on the operational standpoint, what is actually happening, what you have seen on the front line. And I hope that in doing that we can work together to ensure that this Congress puts forward the resources that are needed to get the job done.

Thank you, Mr. Chairman.

Mr. CAMP. Does the gentleman from Florida wish to make an opening statement?

Mr. DIAZ-BALART. Thank you very much.

Mr. CAMP. I see that the Ranking Member of the full committee is here, Mr. Turner from Texas is here. Would you like to make an opening statement?

Mr. TURNER. I will reserve my time.

Mr. CAMP. And the gentleman from Massachusetts Mr. Markey, I yield 3 minutes for the purpose of an opening statement.

Mr. MARKEY. Mr. Bonner, congratulations on the good job that was done in Thailand in seizing the cesium-137. That is very good work. We know that terrorists want to obtain materials from which they can make dirty bombs or homemade nuclear weapons. That was a big achievement. But I am interested in the procedures that Customs is using to ensure that cargo ships from overseas are not used by terrorists to carry out their deadly plans.

I understand that Customs relies on a program called Customs–Trade Partnership Against Terrorism, which is a so-called known shipper program. Now, the problem is that under this program shippers submit applications to Customs that describe how they are complying with the security guidelines and requirements established by Customs. If accepted, companies can count on expedited processing times for their cargo.

This system has been criticized for a long time because it relies very much on paperwork and not on physical inspection. Here in the United States, cargo can be put on passenger planes right underneath the feet, on planes, of passengers who have gone through security, have had to take off their shoes and have their own bags screened, but cargo is put on underneath passengers on passenger planes without having been screened because of the known shipper program. Same doctrine.

Here is what I can figure out between a known shipper and a known tripper, and that is all the people in America, the 50 or 60 million who fly. Here is what happens to us. Known trippers, all our bags are screened; known shipper, no screening of cargo. Known tripper, bags are inspected; known shipper, no inspection of cargo. Known tripper, TSA screeners; known shipper, no screeners. Known tripper, complete background checks and ID. We have to pull out our wallets when we get to the airport. If you are a known shipper, no background checks or IDs. The known tripper, bags match to the owner or you can't get on the airplane; known shipper, theft is common at airports.

The known shipper program is really the little known shipper program. The questions I am going to be focusing upon today is the extent to which Customs has in place a system that ensures that every single package coming into the United States is screened so that al Qaeda doesn't use roots from outside our country in order to commit the crimes to transfer the materials that can be used to create dirty nuclear bombs inside of the United States.

Thank you, Mr. Chairman.

[The information follows:]

PREPARED STATEMENT OF THE HONORABLE SHEILA JACKSON-LEE, A
REPRESENTATIVE IN CONGRESS FROM THE STATE OF TEXAS

Thank you, Mr. Chairman and Mr. Ranking Member for convening this hearing today to hear testimony on how we can best protect our borders and our intricate commerce system in the post-911 era. I welcome Commissioner Robert Bonner from the Bureau of Customs and Border Protection and look forward to hearing his testimony on how to "balance security and commerce."

As a member of the House Select Committee on Homeland Security and the Democratic Caucus' Homeland Security Taskforce, I devote a significant amount of time and attention to hearing and addressing the concerns that my constituents have as to this matter. I look forward to utilizing the upcoming hearing to be held by the Select Committee and the Democratic Caucus as an opportunity to gauge the comfort level of our residential and business communities and their ability to perform their respective day-to-day tasks in light of the ever-fluctuating terror threat level. While the lowering of the threat level to Code Yellow on May 30, 2003 from Code Orange is a small improvement, we must continue to recognize that the Code Yellow still represents a "heightened threat." Therefore, it is incumbent upon us, as leaders in the effort to maintain emergency preparedness, not to undervalue the experiences and testimony to which we will bear witness. Today, we strategize on how best to provide facilities and services necessary to achieve a level of security that will lower the anxiety that we all feel in connection with a Code Yellow threat level.

as well as encourage the free flow of commerce that is vital to our ability to finance these facilities.

MAINTAINING SECURITY AND RESPECTING INDIVIDUAL LIBERTIES

We in the United States have some of the longest undefended and undisputed borders in the world. However, we simply do not offer the most effective physical barriers to a potential determined terrorist attempt to infiltrate the United States from Canada or Mexico. To the north, the 5,500-mile U.S.-Canada border has few gates and no fences. While none of the September 11 hijackers entered via Canada, several unsuccessful plots to attack American targets have been planned by foreign terrorists operating out of Canada. Canadian intelligence officials estimate that some 50 known terrorist organizations have cells in Canada. But before September 11, U.S. border agencies were focused almost exclusively on stopping drugs and illegal migrants from crossing the Mexican border. Both the INS and the Customs Service had shifted staff from the Canadian border to the Mexican border, despite a 90 percent increase in the volume of U.S.-Canada trade since 1990.

To the southwest, the 2,000-mile U.S.-Mexico border has fewer gates and more fences, but remains largely open and unpatrolled. Through these gates, more than 398 million people, 128 million cars, and 11 million trucks entered the United States last year.

With respect to aviation security, the Federal Transportation Security Administration (TSA) has allocated the majority of its budget on aviation as compared to highways, rails, and pipelines. It channeled some \$6 billion and much of its personnel into federalizing airport screeners by November 2002 and screening all bags with bomb detection machines by December 2002.

Therefore, our government clearly must work to find the right formula for allocating its funding, personnel, and technology development plans so that we do not leave ourselves in a precarious situation despite the resources that we have. Just as importantly, in finding the right formula for mapping our homeland security plan, we must ensure that we adhere to the individual liberties principles set forth in the United States Constitution. An example of the ambiguities in our laws that create the potential for the violation of those liberties is 8 CFR Part 235 regarding entrance procedures. While §235.7 outlines general rules for screening individuals for acceptance into automated inspection service programs, subsection 235.7(a)(4)(x) sets forth that no appeal lies for denial of acceptance into these programs. However difficult it is to implement tight security.

FREE FLOW OF COMMERCE WITH WATCHFUL EYE

Since the North American Free Trade Agreement (NAFTA) entered into force in 1994, the number of commercial vehicles crossing the U.S.-Mexico border has increased by 41 percent, while two-way trade between the United States and Mexico has almost tripled. Cross-border trade now averages more than \$650 million a day, two-thirds of it through ports of entry in Texas, and nearly 70 percent of truck traffic coming from Mexico into the United States enters through Texas. The current Administration proposed in this year's budget approximately \$11 billion for border security, an increase of \$2.2 billion from the 2002 budget. The U.S.-Mexico border in Texas covers some 1,951 miles and is the busiest in the world. Each year, the United States' southern border allows in more than 300 million people, approximately 90 million cars, and 4.3 million trucks, and upon entering NAFTA, the number of vehicular crossing of this border increased by 41 percent. Mexico, as our second-largest trading partner, shares the border as well as a wealth of unique history with the United States. The need for border infrastructure and border management systems that facilitate the continued integration of the North American economic region is vital. These systems should protect the citizens of both nations from terrorism, illegal drugs, and other dangers; facilitate and expedite legitimate cross-border travel and commerce; and allow our governments to determine who crosses the borders.

With respect to the U.S.-Canadian border, we executed a joint declaration to create a "Smart Border for the 21st Century." This Declaration contained 30 points that deal with ascertaining and addressing security risks and expediting the legitimate flow of people and goods back and forth at the border crossing between Sarnia, Ontario, and Port Huron, Michigan. Part of this joint effort includes the "NEXUS" program, which is a "fast-lane" system for verified low-risk travelers to additional land-border ports of entry along the northern border. The United States and Canada have joint teams of customs officials in the ports of Vancouver, Montreal, Halifax, Seattle-Tacoma, and Newark. Similarly, plans are being made for the implementa-

tion of a joint NEXUS-Air program for air travelers, which would be piloted at Ottawa and Dorval International Airports.

As the foregoing illustrates, a significant amount of our revenue comes from trade at the Northern and Southern U.S. borders. Many of the federal mandates for the Transportation Security Administration related to trade have not yet been fully followed. We must complete the reconfiguration of our largest airport terminals to add space for baggage screening. Also, the Transportation Security Administration must cover the maritime security that the U.S. Coast Guard currently provides. Moreover, in the area of roadways, the TSA must relieve the federal, state, and local officials from their monitoring of major facilities.

For example, until the TSA creates teams of personnel to work locally, the State Department of Public Safety must utilize regional operation centers that have limited funding. Relative to railways, while Amtrak received \$100 million in federal defense funding in 2002, the allocation of this funding has been uneven, that is, a majority of the funds were allocated to the East Coast. In addition, individual railroad companies have had to inspect their rail lines for sabotage and inspect their internal systems against computer-based attacks at their own expense. As to pipelines, the individual operators are responsible for increased patrols of sensitive oil and gas pipelines when notified of a threat through an informal agreement with the U.S. Department of Transportation. Hence, many aspects of our transportation and infrastructure systems have privatized maintenance. In order to ensure the most thorough security measures as well as to keep our government abreast of the status of each system, we must allocate the proper funding, legislation, and enforcement mechanisms to ensure that no biological weapons or other hazardous materials enter our borders.

Once again, I thank the Chairman and Ranking Members of this Subcommittee for convening this hearing, and I look forward to hearing the testimony of our witness.

Mr. CAMP. Thank you, Commissioner Bonner. You can summarize your testimony. You will have 5 minutes. We all have your written testimony that will be made part of the record. Welcome, and you may begin.

STATEMENT OF MR. RICHARD BONNER, COMMISSIONER, BUREAU OF CUSTOMS AND BORDER PROTECTION, DEPARTMENT OF HOMELAND SECURITY

Mr. BONNER. Thank you, Chairman Camp, Ms. Sanchez and the other Members of the Committee. I am very pleased to appear before the Subcommittee to discuss the issue of increasing security at our Nation's borders, including our country's ports of entry, without choking off legitimate trade and legitimate travel.

As this Committee knows, the Subcommittee knows, on March 1 of this year, all of the immigration inspectors of the former INS, the agricultural border inspectors of the Department of Agriculture, the entire Border Patrol merged with United States Customs to form the Bureau of Customs and Border Protection. And by the way, Mr. Chairman, it is Customs and Border Protection, even though a big part of the new agency is the Border Patrol.

But Customs and Border Protection then is an agency within the Border and Transportation Security Directorate of the Department of Homeland Security. Importantly, for the first time in our country's history, all agencies of the United States Government with significant border responsibilities have been unified into one agency, Customs and Border Protection. And as the lead border agency of the Federal Government, Customs and Border Protection is and will be, in my judgment, far more effective in securing our Nation's border than we were on February 28 when we were four separate agencies and three different Departments of government.

And I have to say that the creation of Customs and Border Protection is the largest actual merger, if you will, of personnel that is taking place within the Department of Homeland Security. Approximately 40,000 employees, or over one-fifth of the personnel, of the Department of Homeland Security are and will be in Customs and Border Protection. And this, by the way, I don't think is particularly surprising, given the importance of the security of our border to the security of our homeland.

The priority mission of Customs and Border Protection is homeland security. That is the priority mission. And for an a border agency, that priority mission, then, is nothing less than preventing terrorists and terrorist weapons from entering the United States, plain and simple.

Customs and Border Protection has all of the important traditional missions of its predecessor agencies, including apprehending individuals illegally entering the United States, interdicting illegal drugs and contraband, protecting our agricultural and economic interests from harmful diseases and pests, regulating and facilitating international trade, collecting import duties, and enforcing at the border all laws and regulations of the United States, be they Customs, trade, immigration or any other law of the United States at our Nation's borders. And because we must perform both our priority antiterrorism mission and our traditional missions to the maximum extent possible without stifling the flow of legitimate trade and travel, we have twin goals, and they are, one, increasing security; and, two, facilitating legitimate trade and travel. And these twin goals don't have to be mutually exclusive.

As we develop ways to make our borders more secure against terrorism, we can also develop ways to expedite the flow of legitimate trade and travel. The question is how do you do this? You do this by building smarter borders, what Secretary Ridge has described as smarter border initiatives. One of the very important components of the smarter border involves pushing our borders out, and that is pushing our zone of security out beyond our physical borders so America's borders are the last line of defense, not the first line of defense, against terrorism, and that is a big part of our mission.

The Container Security Initiative and the Customs–Trade Partnership Against Terrorism that Mr. Markey mentioned are two initiatives that do this; that is to say, push our border outward. Under the Container Security Initiative, or CSI, Customs and Border Protection is identifying high-risk cargo containers. In partnership with other governments, we are prescreening those containers with protection technology at foreign ports before those cargo containers are shipped to our ports. Customs and Border Protection officers are stationed at foreign CSI seaports, and we are using our advanced information and automated targeting system to identify and target high-risk containers at these foreign ports.

CSI adds substantial security to the primary system of global trade, which is containerized shipping, to the United States and to U.S. seaports, but it does so without slowing down the flow of legitimate trade. That is because these containers that are screened at CSI ports would ordinarily not need to be screened again by Customs and Border Protection when they arrive at U.S. seaports.

The goal of U.S. Customs and now Customs and Border Protection for the first phase of CSI, the Container Security Initiative, was to implement that at the top 20 ports in terms of volume of cargo containers shipped to the United States, because over two-thirds of the containers are shipped from just these top 20 ports. And to date let me just tell you, Mr. Chairman, that the governments representing 19 of these top 20 ports have agreed to implement CSI, and CSI is already operational at 13 foreign seaports worldwide, and will become operational soon at other CSI ports.

I want to wrap this up and I want to mention the Customs–Trade Partnership Against Terrorism, and I want to stress this is not the Known Shipper Program. The Known Shipper Program is a TSA program, as I understand it, and I can’t speak to that. But C–TPAT, or Customs–Trade Partnership Against Terrorism, is entering into agreements with now over 3,400 companies partnered with U.S. Customs and Border Protection to meet security standards for the terrorist supply chain from the foreign loading docks to the U.S. As part of that effort, we are validating—you are validating that these security standards are being met, but in exchange for meeting the security standards, yes, we will and are going to give expedited processing through our border entry points.

Let me just conclude by saying, Mr. Chairman, the merger of all of the U.S. border agencies into one agency is a good government reform that will make us and is making us more effective in protecting our country by better protecting our borders. I thank you for this opportunity to testify, and I would be pleased to answer any questions that you or other Members of the Committee may have.

Mr. CAMP. Thank you very much for your testimony.
[The statement of Mr. Bonner follows:]

PREPARED STATEMENT OF MR. ROBERT C. BONNER

Chairman Camp, Ranking Member Sanchez, Members of the Subcommittee, thank you for this opportunity to testify. I am pleased to appear before you today to discuss the strategy for securing our nation’s ports of entry while ensuring a free flow of legitimate trade and travel.

I. Introduction

As you know, on March 1, 2003, immigration inspectors of the former Immigration and Naturalization Service, agricultural border inspectors of the Animal and Plant Health Inspection Service, the Border Patrol, and the U.S. Customs Service merged to form the Bureau of Customs and Border Protection (BCBP) within the Border and Transportation Security Directorate of the Department of Homeland Security. Now, for the first time in our country’s history, all agencies of the United States government with significant border responsibilities have been brought under one roof. With our combined skills and resources, we will be far more effective than we were when we were separate agencies. For example, immediately after BCBP was established, we were able to ensure for the first time that all primary inspectors at our ports of entry were provided with radiation detection equipment. In addition, this unified chain of command, when coupled with Departmental emphasis on information sharing throughout the law enforcement and intelligence communities, will ensure that BCBP personnel have and share the information they will need to do their job. I was honored to be appointed by the President to serve as the Commissioner of U.S. Customs in September 2001, and now I have the great privilege of serving as the first Commissioner of Bureau of Customs and Border Protection.

The priority mission of BCBP is the homeland security mission. That means BCBP’s priority mission is to prevent terrorists and terrorist weapons from entering the United States—plain and simple. And we are doing everything we reasonably and responsibly can to carry out that extraordinarily important priority mission.

BCBP also is continuing to perform the traditional missions of the predecessor agencies that make up BCBP. These missions include apprehending individuals attempting to enter the United States illegally; stemming the flow of illegal drugs and other contraband; protecting our agricultural and economic interests from harmful pests and diseases; protecting American businesses from theft of their intellectual property; regulating international trade; collecting import duties; and enforcing U.S. trade laws.

At BCBP, we know that we must perform both our priority and traditional missions without stifling the flow of legitimate trade and travel. We have twin goals: (1) increasing security, and (2) facilitating legitimate trade and travel. These twin goals do not have to be mutually exclusive. They can and should be achieved simultaneously. As we develop ways to make our borders more secure against terrorism, we also have an opportunity to develop ways to ensure the speedy flow of legitimate trade and travel. How do we do this? We do it by building a smarter border. Three components of a smarter border that I will discuss today are the use of advance, electronic information; the extension of our zone of security beyond our physical borders; and the use of non-intrusive detection technology. I will also briefly discuss the US VISIT program that was recently announced by Secretary Ridge and that will be overseen by the Border and Transportation Security Directorate.

II. Using Advance, Electronic Information

One of the most important keys to our ability to build a smarter border—to increase security without stifling legitimate trade—is information. Good information, received electronically and in advance, enables us to more accurately and more quickly identify—or target—what is “high risk,” defined as a potential threat, and what is low risk or absolutely no risk whatsoever. The separation of high risk from no risk is critical because searching 100 percent of the cargo that enters the United States is not possible, wise, or necessary. Even if the resources were made available to do so, it would unnecessarily cripple the flow of legitimate trade to the United States. When inspections were increased on September 11th, the impact was immediate. Commercial trucks waited for as long as 10 to 12 hours to get into the U.S. on the land border. This nearly brought our economy to its knees.

What is necessary and advisable is searching 100 percent of the high-risk cargo that enter our country. To do this, we need to be able to identify what is high risk, and do so as early in the process as possible.

24-Hour Rule—Advance Information for Oceangoing Cargo

This past year, we worked closely with the trade community to develop an advance manifest regulation addressing that issue with respect to oceangoing cargo. The final version of that regulation, the so-called “24-hour rule,” took effect on December 2, 2002. It requires the presentation of accurate, complete manifest information on cargo destined for the United States 24 hours prior to loading of a container on board a vessel at the foreign port. The regulation also improves the quality of information presented, because under the regulation, vague descriptions of cargo such as “FAK” (Freight All Kinds) are no longer acceptable. When we receive the information, the data is processed through BCBP’s Automated Targeting System, and reviewed by our National Targeting Center, to identify high-risk oceangoing cargo.

On February 2, 2003, BCBP began a strategy to ensure compliance with the 24-hour rule, following a 90-day grace period (which included 30 days following the date of the rule’s publication) to permit the trade to adjust its business practices. The compliance strategy has involved, for the first time, issuing “no-load” orders and denying permits to unlade in the event of non-compliance. We are seeing significant compliance with the rule.

Trade Act of 2002—Advance Information for All Commercial Modes

Successful targeting of high-risk goods transported through other commercial modes is as important as successful targeting of high-risk goods transported by sea. As with oceangoing cargo, good information received earlier in the process is the key to that successful targeting and the application of sound risk management principles.

In the Trade Act of 2002, Congress recognized the importance of such advance information by mandating presentation of advance data on all commercial modes, both inbound and outbound. BCBP has worked through the consultative process called for in the Trade Act of 2002 to determine the most appropriate advance information requirements for land, rail, and air cargo. During this process, we have met continuously with all segments of the trade. This will help us ensure that the final rule for requiring this information meets the security objectives of BCBP while also taking into account the realities of the businesses involved in the different transport

modes. We anticipate a proposed rule being issued shortly, and a final rule being issued by the end of the calendar year.

Advance Passenger Information System

Advance information is also critical to our efforts to identify individuals who may pose a security threat. Before September 11th, 2001, air carriers transmitted information on international airline passengers in advance of their arrival to the Advance Passenger Information System (APIS) on a purely voluntary basis. Legislation enacted by Congress in late 2001 made submission of this information mandatory. This information is obtained prior to arrival in the U.S. for all passengers, and is transmitted electronically to BCBP's APIS.

An informed, enforced compliance plan instituted by BCBP has resulted in 99 percent of all passenger and crew information (including those pre-cleared outside the United States) now being transmitted through APIS in a timely and accurate manner. BCBP, through its combined customs and immigration authorities, uses advance passenger information to evaluate and determine which arriving passengers pose a potential terrorist risk.

III. Extending our Zone of Security Outward

Another important key to building a smarter border is extending our zone of security, where we can do so, beyond our physical borders—so that American borders are the last line of defense, not the first line of defense. We have done this on a far reaching basis by partnering with other countries on our Container Security Initiative, one of the most significant and successful initiatives developed and implemented after 9–11. We have also done this by partnering with Canada on the Free and Secure Trade Program and the NEXUS program, by expanding programs, like SENTRI, on the U.S./Mexico Border, and by partnering with the private sector with our Customs-Trade Partnership Against Terrorism.

Container Security Initiative (CSI)

Oceangoing sea containers represent the most important artery of global commerce—some 48 million full sea cargo containers move between the world's major seaports each year, and nearly 50 percent of all U.S. imports (by value) arrive via sea containers. Approximately 6 million cargo containers arrive at U.S. seaports annually. Because of the sheer volume of sea container traffic and the opportunities it presents for terrorists, containerized shipping is uniquely vulnerable to terrorist attack.

In January, 2002, the Container Security Initiative (CSI) was unveiled to address this threat. Under CSI, which is the first program of its kind, we are identifying high-risk cargo containers and partnering with other governments to pre-screen those containers at foreign ports, before they are shipped to our ports.

The four core elements of CSI are:

- First, identifying “high-risk” containers, using advance electronic information, before they set sail for the U.S. The 24-hour rule, discussed above, has been a critical part of this element of CSI.
- Second, pre-screening the “high-risk” containers at the foreign CSI port before they are shipped to the U.S.
- Third, using technology to pre-screen the high-risk containers, including both radiation detectors and large-scale radiographic imaging machines to detect potential terrorist weapons.
- Fourth, using smarter, “tamper-evident” containers—containers that indicate to BCBP officers at the port of arrival whether they have been tampered with after the security screening.

CSI also involves stationing BCBP officers at the foreign CSI seaports to do the targeting and identification of high-risk containers.

Importantly, CSI adds substantial security to containerized shipping without slowing down the flow of legitimate trade. Containers that have been pre-screened and sealed under CSI will not ordinarily need to be inspected again by BCBP when they arrive at United States seaports. As I mentioned earlier, currently 100 percent of the containers identified as high-risk are being screened on arrival to the United States. With CSI, it will usually be unnecessary to do this screening here, if it has been done “there”—at a CSI port.

Since CSI was announced in January 2002, the program has generated exceptional participation and support. The goal for the first phase of CSI was to implement the program at as many of the top 20 foreign container ports—in terms of volume of cargo containers shipped to United States seaports—as possible, and as soon as possible. Those ports account for nearly 70 percent, over two-thirds, of all cargo containers arriving at U.S. seaports. To date, the governments representing 19 of the top 20 ports have agreed to implement CSI. CSI has been implemented and is already operational in Le Havre, France; Rotterdam, the Netherlands; Antwerp, Bel-

gium; Bremerhaven and Hamburg, Germany; Felixstowe, England; Yokohama, Japan; Singapore, Hong Kong, and Gothenburg, Sweden. We are also operational at the Canadian ports of Halifax, Montreal, and Vancouver. CSI will be operational at other CSI ports soon.

Just last week, Secretary Ridge and I announced Phase 2 of CSI. Under CSI Phase 2, we will implement the program at other foreign ports that ship a substantial volume of containers directly to the U.S., and at ports of strategic importance in the global supply chain. To be eligible for CSI, ports must meet the minimum standards for the program, that is, have acquired the detection equipment and have the capacity and will to implement CSI with us.

Our expansion goals for Phase 2 include ports in the Middle East and other strategic locations, such as the first Arab CSI port, in the United Arab Emirates; ports in Turkey, Malaysia, and Sri Lanka; ports in Africa, such as Durban, South Africa; and ports in Latin American countries such as Panama, Argentina, and Brazil. Under Phase 2, we will also seek to include many additional European ports, such as Gioia Tauro, Italy; Barcelona, Spain; and Marseilles, France.

We believe that Phase 2 of CSI will have the same success of Phase 1. Governments in many of these countries have already expressed an interest in participating in CSI, and once we ensure that they meet the minimum standards necessary for participation in CSI, we will conduct port assessments, sign agreements, and begin implementation as rapidly as possible. In fact, as part of Phase 2, we have already signed CSI agreements with Malaysia and Sweden, covering the two major ports of Malaysia and Gothenburg, Sweden, the main container port for the Nordic countries. By the end of Phase 2, CSI will cover about 80 percent of all containers coming to the United States. We'll cover nearly 100 percent of all Europe/U.S. transatlantic trade, and over 80 percent of transpacific trade to the U.S. By the end of Phase 2, we will be well on our way to thwarting any terrorist attempts to hijack our trading system.

Partnership with Canada

Since the terrorist attacks of September 11, 2001, we have worked closely with Canada to develop and implement initiatives that increase security and facilitate travel and trade at our shared 4,000 mile border. Many of these initiatives have been implemented under the Smart Border Declaration entered into between the U.S. and Canada in December 2001. This Declaration focuses on four primary areas: the secure flow of people; the secure flow of goods; investments in common technology and infrastructure to minimize threats and expedite trade; and coordination and information sharing to defend our mutual border. By benchmarking our security measures and sharing information, we are able to relieve pressure and congestion at our mutual land border.

Free and Secure Trade (FAST)

One of these initiatives is the Free and Secure Trade, or FAST, program. Through FAST, importers, commercial carriers, and truck drivers who enroll in the program and meet our agreed to security criteria are entitled to expedited clearance at the Northern Border. Using electronic data transmission and transponder technology, we expedite clearance of approved trade participants. The FAST program fosters more secure supply chains, and enables us to focus our security efforts and inspections where they are needed most—on high-risk commerce—while making sure legitimate, low-risk commerce faces no unnecessary delays.

FAST was announced by President Bush and Prime Minister Chretien in Detroit in September 2002, and it is currently operational in 27 lanes at six major crossings along the northern border. Eventually, FAST is projected to expand to all 25 commercial centers located throughout the northern border.

NEXUS

With Canada, we have also implemented a program that enables us to focus our resources and efforts more on high-risk travelers, while making sure those travelers who pose no risk for terrorism or smuggling, and who are otherwise legally entitled to enter, are not delayed at our mutual border. This is the NEXUS program, under which frequent travelers whose background information has been run against crime and terrorism indices are issued a proximity card, or SMART card, allowing them to be waived expeditiously through the port of entry.

NEXUS is currently operational at six crossings located at four major ports of entry on the northern border: Blaine, Washington (3 crossings); Buffalo, New York (Peace Bridge); Detroit, Michigan; and Port Huron, Michigan. We also recently opened a new NEXUS lane at the International Tunnel in Detroit. This summer, NEXUS will be expanded to the Rainbow, Lewiston, and Whirlpool Bridges in New York. Other upcoming expansion sites for NEXUS include Alexandria Bay, New York; and Sweetgrass, Montana.

Partnership with Mexico

We have continued important bilateral discussions with Mexico to implement initiatives that will protect our southern border against the terrorist threat, while also improving the flow of legitimate trade and travel.

With respect to cargo crossing our border with Mexico, for example, we will be implementing a pilot FAST program on the southern border in El Paso, Texas by September 2003. We also continue to work on a possible joint system for processing rail shipments and on shared border technology.

SENTRI is another smart border initiative on our southern border. SENTRI is a program that allows low-risk travelers to be processed in an expedited manner through a dedicated lane at our land border with minimal or no delay. SENTRI is currently deployed at 3 southwest border crossings: El Paso, San Ysidro, and Otay Mesa, and expansion plans are being considered. In fact, our SENTRI team met with their Mexican counterparts this spring to discuss expansion logistics.

Customs-Trade Partnership Against Terrorism

Any effort to “push our zone of security outwards” and protect global trade against the terrorist threat must include the direct involvement of the trade community. The Customs-Trade Partnership Against Terrorism, C-TPAT, is an initiative that was proposed in November 2001 began in January 2002, to protect the entire supply chain, against potential exploitation by terrorists or terrorist weapons. Under C-TPAT, companies sign an agreement with BCBP to conduct a comprehensive self-assessment of their supply chain security and to improve that security—from factory floor to foreign loading docks to the U.S. border and seaports—using C-TPAT security guidelines developed jointly with the trade community.

Companies that meet security standards receive expedited processing through our land border crossings, through our seaports, and through our international airports, enabling us to spend less time on low-risk cargo, so that we can focus our resources on higher risk cargo. C-TPAT is currently open to all importers, air, sea, and rail carriers, brokers, freight forwarders, consolidators, non-vessel operating common carriers (NVOCCs), and U.S. Marine and Terminal operators. As of October 1, 2002, C-TPAT eligibility for trucking companies along the U.S./Canada border has been made available through the Free and Secure Trade Program. (Participation in C-TPAT is a requirement for bringing goods from the U.S. into Canada through the FAST lane.) We are currently developing the mechanism and strategy to enroll foreign manufacturers and shippers into C-TPAT. The intent is to construct a supply chain characterized by active C-TPAT links at each point in the logistics process.

To date, over 3,422 companies are participating in C-TPAT to improve the security of their supply chains. Members of C-TPAT include 71 of the top 100 importers and 32 of the 50 largest ocean carriers. To make sure that C-TPAT is realizing its promise, BCBP is developing expertise in supply chain security. In December 2002, we began providing training in the security validation process to ten supervisory customs inspectors. We will provide training to a second group of validators beginning June 16, 2003. In January 2003, these individuals started the validation process in cooperation with our C-TPAT partners. To date, over 50 validations have been initiated.

IV. Using Non-Intrusive Inspection Technology

Non-Intrusive Inspection (NII) technology provides for a more effective and efficient, as well as less invasive, method of inspecting cargo, compared with drilling or dismantling of conveyances or merchandise. As we deploy additional NII technology throughout the country, we increase our ability to detect conventional explosives, nuclear weapons, radioactive components, and other weapons of mass destruction. NII equipment includes large-scale x-ray and gamma-ray imaging systems, portal radiation monitors, and a mixture of portable and handheld technologies to include personal radiation detection devices that greatly reduce the need for costly, time-consuming physical inspection of containers and provide us a picture of what is inside the container.

We are in the process of adding radiation detection systems and isotope identifiers on the southwest border, radiation detection systems and Mobile Vehicle and Cargo Inspection Systems (VACIS) on the northern border, Mobile VACIS at seaports, isotope identifiers and x-ray equipment for international mail, and isotope identifiers at Express Courier hubs, as well as additional inspector positions for deploying and operating this equipment. This technology will detect anomalies and the presence of radiological material in containers and conveyances, with minimal impact to port operations in a fraction of the time it takes to manually inspect cargo. CBP is also working closely with the Department of Homeland Security’s Science and Technology Directorate to assure that the best equipment is procured and deployed in a cost-effective manner, and that lessons learned from the current deployments are applied to the development the next generation of technology.

V. US VISIT

Another border-related program that is currently being implemented, and that will rely on sophisticated technology and quick access to critical data, is the recently announced US VISIT program. Under this program, the Department of Homeland Security will implement a number of legislative requirements related to the entry and exit of visitors to the U.S. Once implemented, US VISIT will provide BCBP personnel with the capability to use biometric features—such as fingerprints, photographs, or iris scans—to identify accurately people that are traveling into and out of the United States. In this way, US VISIT will strengthen and increase the reliability of our terrorist and other database checks on such individuals when they enter and exit the United States. As the Secretary has announced, US VISIT will be implemented at air and seaports by the end of calendar year 2003.

VI. Conclusion

Mr. Chairman, I have outlined today several of the BCBP initiatives that are helping us create a smarter border, one that enables us to carry out our twin goals of increasing security and facilitating the flow of legitimate trade and travel. The merger of all of the U.S. border agencies into one agency, BCBP, in the Department of Homeland Security, creates new opportunities for us to continue to build even smarter borders that strike the appropriate and necessary balance between security and commerce. With the continued support of the President, DHS, and the Congress, BCBP will do just that.

Thank you again for this opportunity to testify. I would be happy to answer any of your questions.

Mr. CAMP. The gentlewoman from California may inquire.

Ms. SANCHEZ. Thank you, Mr. Chairman.

And thank you, Commissioner. I have a lot of questions to ask and probably won't have enough time to ask them all, and maybe you can take some notes and answer what you can, and then I anticipate anything you can't at this point, you will give to us in writing.

The first thing I want to talk about is the Container Security Initiative. As of March of this year, 18 of the 20 largest ports were supposed to—had agreed to participate in this program with us. I believe about 10 of them are now—as someone in your Department mentioned—are now operational. I would like to know what does operational mean with respect to that? How many people do you have assigned to this? For example, what does an average port location look like with respect to people? What kind of technology, new technology, is there? Who paid for that technology? What are they using it for? What part of the four element targets are they looking at? What about this whole issue of cargo manifests and old databases? Are you still using that information in which to wean out who you should be taking a look at?

And then the second line of questioning has to do with respect to the U.S. VISIT system, which is supposed to be a high priority, and one that Secretary Ridge had announced that he would put in place. It is supposed to be implemented by the end of this year. The SEViS system is supposed to be operational by August, and your immigration inspectors are supposed to use both of these systems. Will they be ready to use these systems effectively by the deadlines? Have they been trained on them? Do you have any recommendations on the implementation of these systems either in time line or suggestions to improve the system? And given the well-publicized technical problems with SEViS, for example, what assurances can you give us that U.S. VISIT will not suffer from the same problem?

That should be good enough to begin with.

Mr. BONNER. Let me start with CSI. It is now in 19 of the top 20 ports. We just signed the CSI agreement with Thailand, which had one of the top 20 ports. We are operational in a total of 13 ports worldwide right now, and operational means this. It means that we have U.S. Customs, U.S. Customs and Border Protection personnel, which is a small team, that are stationed at these CSI seaports. They are there to work with the host nation, but essentially to target and identify, using information that we have looking at anomalies to target containers that pose a potential risk.

Ms. SANCHEZ. How many people do you have at a particular port, and what information are you using to figure should we be looking at this and targeting it?

Mr. BONNER. We are trying to determine how to right-size this, but typically when we started deploying the teams to make CSI operational, we were deploying teams of about five to six U.S. Customs and Border Protection personnel. I can tell you that there are certain ports where that number is going to have to be perhaps increased, perhaps even doubled. For example, in the Port of Hong Kong, just because of the volume at that port, and perhaps at the Port of Singapore. But we started out with teams of about five or six. And operational means that we are actually using our automated targeting system, working with the host nation to identify containers that pose a potential risk. Then the host nation, let us say in the case of the Dutch at Rotterdam or the Singapore customs authorities in Singapore, then are conducting what I call a security inspection of that container. The equipment that is being used is radiation detection equipment and large-scale X-ray-type equipment that can take an X-ray image essentially of the entire cargo container.

Ms. SANCHEZ. Is that provided by the host country?

Mr. BONNER. That is being provided—in each and every instance, in each and every country that has agreed to CSI, they are providing large-scale detection equipment. In fact, some of them already had equipment, just as the United States Customs has that kind of equipment. Some of them already had the equipment. Some of the countries have had to purchase and acquire that equipment. For example, the Government of Singapore has purchased at least three mobile X-ray or gamma ray-type machines to participate in the Container Security Initiative.

Ms. SANCHEZ. But are your people still using the databases or manifests that are provided to them by the cargo shipper?

Mr. BONNER. Until I promulgated the 24-hour rule, we didn't even get advanced manifest information on a mandatory basis. We are getting that information now. That information is put into our database system; that is, the automated manifest system, or AMS. That data is being used together with certain rules-based targeting principles, some of which are drawn from strategic intelligence, some of which are drawn upon anomalies or things that are unusual about the shipment, to identify high-risk containers. So we are using that system to identify the high-risk containers.

Now, look, we are in the process, too, of getting the Automated Commercial Environment, or the ACE system, it is just not there yet, which will also improve our capability for doing this kind of targeting. But we do have an automated targeting system. It is so-

phisticated. It has rules in it to help us identify the containers that pose a potential risk.

Mr. CAMP. Thank you. Her time has expired. The gentleman from Florida may inquire.

Mr. DIAZ-BALART. First of all, welcome, and thank you very much for your testimony.

You talked with regard to CSI that 13 ports are already operational. When will the other 7 of the top 20 be operational?

Mr. BONNER. We will be operational within about several weeks in the two major container ports in Italy, La Spezia and Genoa. So within several weeks, those two ports. We just went operational in Felixstowe, which is the major container port in the U.K. I would have to look at the exact schedule. I know there are many of the remaining ports, because 19 of 20 are on board. We are going to be operational in implementing CSI at those ports very soon and we are looking to do this over the next several months. There may be one or two that for a variety of reasons—we just signed the agreement with the Thais, so it is going to take a bit longer to go over and do the port survey, make the assessment we need, and do the preliminary groundwork we need before actually deploying a team there. But I can tell you we are moving very rapidly on this to all of the ports in what I would call Phase 1 of the security initiative.

Mr. DIAZ-BALART. Being from south Florida, we have a tremendous amount of trade and commerce with Latin America. What countries in Latin America other than Panama, Argentina and Brazil that I am informed now you already have CSI agreements with are you considering for the CSI?

Mr. BONNER. We do not have agreements with Brazil or Panama or Argentina, but just last week Secretary Ridge indicated that we would be expanding the Container Security Initiative beyond the top 20 ports to additional ports throughout the world, both based upon the volume of cargo containers shipping to the U.S. Seaports and their strategic location, and, of course, their capacity and the political will to join with us and partner with us in the Container Security Initiative. In that context we are looking and will be looking at ports in Latin America, and they could include one or more ports in Brazil, Argentina and Panama, but we do not have agreements with any of those three countries yet.

Mr. DIAZ-BALART. Or any other Latin American countries.

Mr. BONNER. That's right. Interestingly enough, by the way, when we look at the top 20 ports in terms of the shipment of cargo containers to the U.S., all of those ports were in Asia and Europe. There wasn't one Latin American port that was in the top 20. The top 20 represents almost 70 percent of the 7 million ocean-going cargo containers to the U.S. But there are some as we look down the list. I certainly anticipate we are going to be adding some of the significant ports in Latin America to CSI.

Mr. DIAZ-BALART. Thank you, Mr. Chairman.

Mr. CAMP. I thank the gentleman, and now I would yield to the gentleman from Texas, the Ranking Member, if he would like to inquire.

Mr. TURNER. Thank you, Mr. Chairman. Mr. Bonner, last month we received a report from the General Accounting Office which

shared with us the results of an undercover operation they conducted out of their Office of Special Investigations. I know you are familiar with it because the agents of the General Accounting Office successfully entered the United States from Mexico, Canada, Jamaica and Barbados using counterfeit identification such as drivers' licenses and birth certificates, which, according to the GAO, can be produced using off-the-shelf software. Can you explain how these undercover agents found it so easy to pass through our borders and past our inspectors in entering the United States? What do you intend to do to stop it?

Mr. BONNER. Let me answer, first of all, I am aware of the report that there were four different places, if I remember, in which GAO entered the United States. It wasn't the Canadian border, and I think you named the places. You know, one reason, by the way, I think that they were able to enter fairly easy was not counterfeit documents, because typically an immigration inspector doesn't necessarily look at documents in terms of making a determination at the Canadian land border or Mexican border as to whether someone is a U.S. citizen. And one of the reasons I think it was easy for these GAO investigators was to get in is that at least some of them had New York accents.

But we have a system right now, and we need to look at this system, where a person that is a U.S. citizen that is entering the United States from the Western Hemisphere as opposed from anyplace in the world, but Canada, Mexico, and that sort of thing, is not required to present any documentation to the immigration inspector at the port of entry. And the immigration inspector at the point of entry, as you know, Mr. Turner, has very limited time to make an assessment as to whether that person is indeed a citizen of the United States, and it is usually by asking a number of questions and making an assessment as to whether that person is a citizen.

So the real issue here is—not to me, anyway; I am telling you the way I look at it—is not so much whether somebody had a counterfeit driver's license, because you are right, anybody can counterfeit a driver's license and other kinds of documents. The real issue is should we have a secure document that is required to be presented when you are entering the United States from someplace in the Western Hemisphere coming back to this country or not. So that is the issue to me.

But the reason they were able to get in so easily, at least based upon my analysis, is that the immigration inspector—this was the INS at the time, by the way; this happened before March 1, when I was still the Commissioner of Customs—but from my analysis was that they were doing their jobs, they were asking questions, and they made a determination that they believed that these people were entitled to enter because they were U.S. citizens.

Mr. TURNER. Well, in reading the report, it seems the inspectors didn't ask for any identification or ask any questions. I find it hard to understand how we are going to ever be able to say that our borders are secure if we don't have any better system in place than we have now. You have suggested, perhaps, that the system needs to be changed or there needed to be some identification document, but apparently there is no current proposal for this type of change.

Mr. BONNER. I am not aware of one, but the most important part of the system actually is to have a trained inspector, who has limited time, but does ask questions, at the land border, the Canadian land border and the Mexican land border, to make a determination. That probably is the most important thing to do to determine whether this person appears to be a U.S. citizen and, therefore, entitled to enter the country. If no questions are asked, then I have a problem with that.

You are looking at a number of things. You are looking at the car and the license plate. In some cases you are running that license plate. You are asking a few questions to satisfy yourself that one, these individuals are entitled to enter the United States because they are a U.S. citizen; and, two, to make sure that you are not allowing somebody to enter the United States that would particularly pose a terrorist threat to our country.

Mr. TURNER. I believe my time is up. Thank you, Mr. Chairman.

Mr. CAMP. Thank you.

The gentleman from Texas may inquire.

Mr. SMITH. Thank you, Mr. Chairman.

Mr. Bonner, seems to me we clearly all have the same goal, which is to make it more difficult for individuals to come into the United States for the wrong reason, and to make it more easy for them to come in for the right reason, whether it be trade, tourism or traffic, all the legitimate types of entry that we do encourage. And it also seems to me, having looked at it in the past a little bit, that technology is going to be the key to success in many ways. And you mentioned in your written statement examples of where you are using technology to facilitate that rapid entry into the United States by those individuals who are coming for the right reason.

You also mentioned in your prepared remarks that you sort of have the dual challenge of preventing terrorists from coming into the country while you are continuing to perform the traditional missions of trying to apprehend individuals who are coming into the United States illegally. And it strikes me that if you don't know who is coming into the country, then you don't know what is coming into the country, be it terrorist weapons, terrorist plans, and even individuals who are engaged in the illegal drug trade, which is another way of saying you really can't tell whether someone is coming into the country illegally. You can't always discern who is a terrorist and who is coming in for other reasons, which means we have to secure our border with regard to everyone who would come in illegally.

At the same time it seems to me that the administration is sending mixed signals, because your job is made infinitely more difficult to the extent that we are sending signals that we are encouraging individuals to come into the country illegally. I think we are doing that in several ways. I know in south Texas that an individual has to be apprehended six to eight times before he or she is actually charged with violating immigration laws. That is the wrong signal to send. At the same time, my friends on the border, one border sector chief told me they estimate they are only apprehending 15 percent of the people coming into the country illegally. So when you figure what the odds are of actually being charged with immigra-

tion violations and actually being checked, having your background check or whatever, the odds are so small that it encourages people to come in for the wrong reason.

We have, for example, the Department of Treasury now issuing regulations on matricular cards, and I would like to ask your opinion whether you recommended for that or against it. We have a situation where we are basically not deporting anyone from the interior unless they are convicted of a serious crime. And we also have the added statistic that I think is absolutely telling and devastating, and that is 20 percent of all Federal inmates today who are people in the country illegally and who have been convicted of serious felonies, 20 percent.

All that adds up to we are trying our best, I am sure, to keep out the terrorists and keep out individuals who come into the country for the wrong reason, but at the same time, in my judgment, we are making our job more difficult because of these mixed signals that we are sending. Would you comment both on the mixed signals and how you think we might change those mixed signals so as not to encourage illegal immigration and so as not to make your job more difficult than it already is?

Mr. BONNER. First of all, I wasn't consulted with respect to the matricular cards that are issued by Mexican consulates. It is something that was run through the Treasury Department as to whether that was an acceptable form of identification for some purposes.

Mr. SMITH. Did you take a stand on that? It was my understanding that it was only the Treasury Department; that all the other departments were opposed to it.

Mr. BONNER. In terms of a border document and establishing identity, it is not a document that is of significance, in my judgment, for the purposes of entering the United States.

Mr. SMITH. It legitimatizes the presence of people who are here in the country illegally.

Mr. BONNER. This is a question of whether you should make it easier for persons to identify themselves for purposes of opening up bank accounts, and that is how I understand the issue. It is a little bit beyond my province in terms of a border agency, and that is why I am a little bit hesitant.

I take your point that we have to be very, very careful about giving mixed or inconsistent signals in terms of what we do. I think frequently over the years we have been sending out mixed signals in terms of the position and policy of the United States.

Having said that, look, I think what is very, very important for us is to establish better and actual control over the borders of this country, and I think that is one of the most important things we do, and it is not easy. It is an issue that I am just beginning to grapple with because as part of this reorganization I described to you, Mr. Smith, we are essentially merging U.S. Customs the Border Patrol and immigration inspectional elements and the like. But I think one of the most important things we can do is to make sure through a combination of technology and staffing and otherwise that we do have significant real control over our borders. Unfortunately, there are places, as you well know, on our border with Mexico that it would be a little difficult to, with a straight face, say that we actually have control of them.

I actually don't have a particular position; that I don't know precisely what the position of the Department of Homeland Security is with respect to the cards that are being issued by the Mexican consulates.

Mr. SMITH. Thank you, Mr. Chairman.

Mr. CAMP. The gentleman from Massachusetts may inquire.

Mr. MARKEY. Mr. Bonner, the senior manager in charge of overseeing security at the Frankfurt airport has said that, quote, you have to have better background checks of known shippers. At Frankfurt there is no such thing as a known shipper. Let us then put ourselves in Frankfurt. That is where Mohammed Atta was before he came to Boston with the rest of his gang into my district. Let us assume that his gang is in Frankfurt, and they are trying to figure out, after this guy says this, how they are going to put cargo on a passenger plane and fly it in from Frankfurt to Logan. What would be the screening process to make sure that amongst a shipment of computers on that passenger plane, after 250 international passengers have been screened, that underneath them inside that cargo they haven't put nuclear materials? What is the screening process?

Mr. BONNER. The screening process is that screening process that is in place under the IATA treaties with respect to the loading—

Mr. MARKEY. Would there be an actual physical screening of the cargo that went onto that plane?

Mr. BONNER. I don't believe there is.

Mr. MARKEY. You don't believe there is? How would they detect the nuclear material that is mixed in with the boxes of computers that would be on that passenger plane then, Mr. Bonner?

Mr. BONNER. You would—first of all, one way you might do it, it seems to me, is to use some sort of a managing of risk in terms of looking at screening those air cargo shipments or containers that are of concern.

Mr. MARKEY. We are assuming that all 250 passengers on the plane have been screened. So there is a decision made that every passenger is at potential risk. You are saying that you might decide that you won't screen 95 percent of all the cargo that goes onto the plane based upon paperwork, but what if there is no warning? What if you don't have one of Mohammed Atta's gang that tips you off? What would be the mechanism that you would use in order to ensure that the plane isn't used as a carrier of nuclear materials?

Mr. BONNER. A tip-off would be specific intelligence, and I was suggesting more of a risk management. Mr. Markey, first of all, I can't speak for Admiral Loy.

Mr. MARKEY. I know you are saying specific intelligence, but the head of security at the Frankfurt airport is saying that there is no such thing as a known shipper program.

Mr. BONNER. First of all, the Known Shipper Program is a TSA program. It is not my program. Number two—

Mr. MARKEY. Are you saying that that cargo that goes on planes, you have no role in it at all?

Mr. BONNER. Of course we have a role in it.

Mr. MARKEY. What is Customs' role?

Mr. BONNER. The role of Customs is to examine and inspect as appropriate. We do it on risk.

Mr. MARKEY. It is your program. Why are you putting it off on TSA? It is your decision to use this intelligence rather than actual screening of the cargo.

Mr. BONNER. What I am trying to tell you is that, as I think you know, Customs usually inspects things on arrival into the United States. So in the case—by the way, the exception is we have moved out with the Container Security Initiative with respect to ocean-going cargo containers, but we have a responsibility for screening any high-risk container or a container that might contain contraband upon arrival.

Mr. MARKEY. What percentage of all containers on planes do you screen?

Mr. BONNER. I don't have the figure. I know nationwide of all containers—

Mr. MARKEY. I think you only screen about 2 percent of all the containers that go on planes.

Mr. BONNER. I doubt that that figure is right because that figure is largely met.

Mr. MARKEY. What do you think is the number?

Mr. BONNER. If you are talking about all containers that are arriving in the United States, the number that are screened or inspected—

Mr. MARKEY. Only talking about passenger planes now. What percentage of containers going on passenger planes are screened?

Mr. BONNER. I don't have that number. I don't know.

Mr. MARKEY. I mean, is it 5 percent or 95 percent? Do you know that much?

Mr. BONNER. Nationwide for all containers is about 10.5 percent. So it could be above that number or below that number.

Mr. MARKEY. Ninety percent of all containers flying in on passenger planes from overseas under the passengers' feet is unscreened?

Mr. BONNER. No, because you are assuming that it hasn't been screened at the point of origin, which is at Frankfurt airport. And I do not know. There is an IATA treaty that is between the United States and being overseen by the Security Administration, as I understand it, and our allies as to what is screened in terms of being placed upon an airplane, a cargo airplane or a passenger airplane, taking cargo.

Mr. MARKEY. I have to take off my shoes.

Mr. CAMP. The gentleman's time has expired.

I did want the witness to have a chance to answer the question and hopefully have time for another round.

Mr. BONNER. So I don't know exactly myself, but—as to whether it is 100 percent or 1 percent or what is screened overseas, because it is not something that I have been directly involved with. We are obviously screening things upon arrival in the United States.

Mr. MARKEY. I think you should know that number, Mr. Bonner. I think the American people should know the number of what percentage of cargo is screened coming into the United States.

Mr. CAMP. The gentleman from California may inquire, the Chairman of the full committee.

Chairman COX. Thank you, Commissioner Bonner.

I don't think there is anything more important in the war against terrorism than port security and ultimately security over all our ports of entry, and I appreciate you taking on this job. I know you are in the beginning of what is going to be a long process.

At the end of this week, this full committee is going to conduct an on-site review and a field hearing on port security in Los Angeles and Long Beach, as I am sure you know, which represents our Nation's largest port. So this subcommittee hearing is an important predicate for what we expect to continue to learn over the next several days.

I want to ask you, if I may, about—with respect to the CSI program, do we have the proper threat analysis in place now in the Department of Homeland Security and in particular within your jurisdiction, or do you have access to it? And second, where are we headed with the development of that capability in the Department and within your jurisdiction?

Mr. BONNER. First of all, let me say that we have—both before and after March 1, I have been—as Commissioner of Customs, receiving on a regular basis intelligence briefings from the Intelligence Community and the CIA with respect to the threat insofar—and particularly insofar as it impacts potentially either terrorists or terrorist weapons attempting to enter or be smuggled into the United States. And we have had the benefit of analyses with respect to that threat. We have used that analysis and that information and strategic intelligence in a number of ways, including building it into our risk management targeting systems.

Chairman COX. Where is the analysis coming from?

Chairman COX. As compared to when you ran Customs, where is that information coming from these days?

Mr. BONNER. These days the way it is coming, first of all, it is coming principally from the Intelligence Community through the IAIP Director, which is the Information Analysis Infrastructure Protectorate Directorate, which is being developed and stood up within the Department of Homeland Security and to my Office of Intelligence.

Chairman COX. So is your information coming to you from IA?

Mr. BONNER. IA is an intermediary, as I put it, Chairman Cox.

Chairman COX. Is that all the time, most of the time, half of the time?

Mr. BONNER. It is obviously evolving given the fact that the Department itself and IAIP are both standing up. It is an evolving process. But we are pushing forward, essentially, intelligence and information that we pick up in terms of attempts potentially for terrorists to enter through our land borders or across through our ports of entry. We are pushing intelligence out, it goes out. And we are also drawing down now, more and more, is the way I would put it, through IAIP intelligence, which is essentially being generated by the intelligence collections agencies. And when we are talking about an international terrorist threat that may penetrate our border, we are talking about the United States Intelligence Community. But also there is some information that also comes in from the FBI as well. But it is mainly from the Intel Community through IAIP to Customs and Border Protection.

Chairman COX. I ask this question because CSI relies on the integrity of intelligence and automated information in order to work. That information, in the first instance, is provided by the carriers. There has got to be some check on that, and so the quality of our intelligence matters a great deal. How can we be sure that the information that we are getting on the cargo manifests is accurate and are we reliant entirely on intelligence for that? Do we have other means? I know, with respect to radiological threats, we are expecting to use and currently do in incipient ways use technology for that purpose.

Mr. BONNER. It is important to some degree that we have accurate information. It is even more important that we have complete information about what is being shipped to the United States, who is shipping it, where it is coming from, who it is going to and so forth. We have our own databases with respect to the international trade community, who the importers are, how often they have imported, who the shippers are, who the freight forwarders are. We have a tremendous amount of information that goes beyond just what someone is declaring and being required to give us in advance manifest information.

So we have a lot of ways of triangulating that ourselves, and we are looking for, in many instances, what we call anomaly, something that is unusual about this trade pattern or this particular shipment.

I do not want to get into all the targeting rules we use, here at a public hearing, but the real thing that we are looking for, and we are searching for, and is going to be helpful, is establishing and getting the Intelligence Community, and this is through IAIP as our agent, if you will, to better meet the collection needs of a principal border agency of the United States Government, and that is Customs and Border Protection, and that is getting better. Look, are we all the way home there yet? No, not by my means. And as you know, part of this is going to be a process, as I understand it, of IAIP, which will essentially plug into an InterLink into the TTIC, which is the U.S. Intelligence Community and the FBI. So we are not all the way there yet, but we are starting a process and have started a process where IAIP, the Information Analysis Infrastructure Protection, is playing a more important role in our being able to get the general intelligence and specific strategic intelligence, and, of course, you know it would be great to have tactical intelligence, who, where and when there are terrorists or terrorist weapons coming in. But we are in that process and it is moving forward. And we clearly have a ways to go to get this to the point where I think we would all like it, and that is a really well-oiled machine where that intelligence is being drawn out and then filtered down to, in this case, Customs and Border Protection.

Obviously, there are other customers and components of the Department of Homeland Security that also need intelligence besides just my agency, but, in particular, we are working on making this happen.

Chairman COX. That is why I asked the question because the analysis suited to your purpose and your needs and your requirements is what we are seeking and what Congress had in mind when we created the Department of Homeland Security. If you are

getting secondhand analysis that is prepared for another customer for another purpose, then we are not going to achieve our objective.

Working from the paradigm of shipper, who is illicit, who wants to defeat the system, I take it there is no reason in nature that that person or entity could not use a perfectly reputable shipper, take one of our own companies operating overseas that we all highly regard, ship your package with that outfit, lie about what is in the package and there is really no way, is there, for the shipper or for the carrier to know what is wrong with that package?

Mr. BONNER. I do not know that there is any foolproof system, but I think there are, even under the scenario you describe, I think that there are ways in which, based upon a combination of factors, we would increase our likelihood of being able to identify a shipment; let us say where a terrorist weapon was concealed into that shipment.

Secondly, by the way, we do have overlaying strategies. I started off by talking about what we do, well, I did not really talk about what we do in terms of inspecting cargo containers upon arrival at seaports or international airports. We started to discuss that with Mr. Markey, but in targeting and screening every high risk container that is coming and arriving in the United States. And by the way, I would like to see us push the border out just as we are doing for sea containers to potentially for air cargo. I think that would be a worthy thing to look at and try to do.

But there is another feature and that is the Customs Trade Partnership Against Terrorism. You are actually describing a situation in which the importer or shipper has some weakness in their supply chain and there is the ability for a terrorist organization to conceal something inside a container of what appears to be an otherwise valid shipment. That is why we have a layered strategy. That is why we are trying to work with the now over 3,000 companies to improve their supply chain security and not just accept their word for it that they have done it. We have started a process of validating that they have taken the steps to close out security gaps along the entire supply side chain. There have to be layers to this, and, ultimately, if one asks is there going to be a perfect system that gives us 100 percent guarantee, of course, we will never reach that. But we can, I think, through doing a number of these different things, we can measurably decrease the ability or likelihood that a terrorist organization is going to be able to successfully conceal or use a container as a terrorist weapon.

Mr. CAMP. The gentleman's time has expired.

Chairman COX. I thank the chairman. Just to be sure, I did use my entire 8 minutes I believe?

Mr. CAMP. Yes. You were given 8 minutes. The gentlewoman from New York may inquire, Ms. Slaughter.

Ms. SLAUGHTER. Mr. Bonner, I am delighted to see you here today. I represent the Niagra frontier so my questions will be somewhat parochial.

Obviously, it is important for us, the U.S.-Canada border. A billion and a half dollars worth of commerce passes that border every day, and we are very much concerned about it, and I am pleased and I am sure you already mentioned this before I got here, my plane was a little late, the VACIS system, which I am told reduces

the amount of time in which to check the cargo in a truck, from eight hours to two and a half minutes. That is quite a remarkable achievement. Is that your assessment of it, and do you think it is working well?

Mr. BONNER. It is. Because somebody mentioned the fact that it is only with better detection technology and better advance information that we can identify and select out for inspection the potentially risky shipments. Frankly, we do not want to spend a lot of our efforts and resources on things that are not at risk whatsoever. The VACIS machine, which is a large-scale gamma ray machine, allows us to more quickly and more rapidly inspect much faster than trying to do a full physical inspection of a container. Obviously, if there is an anomaly we discover, then we go to the full physical inspection. This equipment, which we have deployed more since 9/11, we had it initially on the Mexican border, to the northern border and to our U.S. Seaports, is definitely helping us do a better job of security. And, at the same time, do it without choking off the flow of trade that is so important to our economy.

Ms. SLAUGHTER. Is that system applicable for railroad cars and airplanes as well?

Mr. BONNER. We have put what we call a rail VACIS or large-scale x-ray system on some of the most significant border crossings on the Mexican border. After some lengthy discussions with our Canadian friends, we are going to be rolling out a similar type of technology which is a rail VACIS. It actually gives you an image of every rail car coming from Canada into the United States at the major crossing points. That is a process we are just starting, but we have agreed to it. I have the funding. We will be rolling that out, and we will be implementing it as quickly as possible.

Ms. SLAUGHTER. This border is over 5,000 miles long. A lot of it is very remote, very difficult, I would think, to secure it. We have spent a lot of time, since I have been in Congress, on our southern border, but have never really had to worry about the northern border.

The Peace Bridge alone has over 8 million people, commercial and passenger vehicles passing across it every year. A Customs agent in Niagra Falls recently told me they did not have the equipment they needed, and they were short of personnel. Are you aware of that and can you tell me what is being done to correct it?

Mr. BONNER. I am not specifically aware of that. I know we have been increasing, through staffing and through appropriations that the Congress has given us, the level of staffing and a large chunk of that increased staffing, inspectional officers and the like, has been going to the northern border ports of entry. So I will need to look into that, but I know we have added significant staffing to what we call the general Buffalo ports of entry, the Peace Bridge and the Lewiston Bridge and the other major ports of entry and crossing points. I will look into that. My impression is that our staffing levels have increased. If they have not, they are in the process of being increased.

Ms. SLAUGHTER. I can keep in touch with you on what we know about that.

We had an anomaly, I assume, I do not really know the statistics before 9/11, on how many children crossed the bridges. Last month

a Canadian teenager cross the Lewiston–Queenston Bridge totally undetected. But two weeks before that, a seven-year-old got his sister's tricycle and rode across the bridge and just ended up in Niagara Falls, and nobody seemed to observe them either crossing the bridge or at the point of Customs or INS. Obviously, this was something these children did. And I wonder if you have any system in place to try to stop that. Again, I am not aware, I am fairly new in that part of the district, how much foot traffic there is across those bridges. I would suspect not much.

Mr. BONNER. There is not much. I have asked to take a look because I have heard those reports, and we are looking into them. So I understand how this could happen and why an immigration inspector or a Customs inspector, as the case may be, it is now one agency so there is no more finger pointing from one to the other, but why it is they did not stop and inquire with respect to this. I remember a relatively young child walked across one of the bridges. Let me look into that. It is something, clearly, we need to tighten up on.

Ms. SLAUGHTER. We were not sure whether that indicates not enough attention was being paid or what action we should take.

Give me some idea how much of the 30 points of the Smart Border Accord have been implemented between the U.S. and Canada.

Mr. BONNER. We have done very well with the Smart Border Accord. About 16 of those action items of the Smart Border Accord, from December of 2001, are what I call border management or are at our mutual border between Canada and the U.S., or ease some of the physical burden on the border itself. We have implemented a significant number of those. I believe it is a majority. Part of that is the Free and Secure Trade Program that we have implemented binationally with Canada, the FAST program.

We have implemented and expanded the NEXUS program for vetting, and, clearly, people who are vetted to get a proximity card, again, technology and a reader to cross the border.

We have placed U.S. Customs personnel, that is part of the Smart Border Accord, at the two major Canadian ports, Halifax, Vancouver, Montreal, to prescreen there using targeting and technology on cargo containers that are arriving at those Canadian ports that are in transit for the United States, just to name a few. We have not only talked about, but we have implemented a substantial number of the Smart Border initiatives, and we are continuing to work this process. I meet formally, at a minimum of every three months, with our Canadian counterparts to make further progress on implementing the Smart Border initiatives.

Ms. SLAUGHTER. I hear that NEXUS is not going well, that not enough people know about it or are applying for it. That is a concern, but another concern I have because we have an extraordinary number of recreational boaters between our border and Canada and particularly on the Great Lakes. And my understanding from them is, that with the system as it stands now, that should they be in the water when an Orange Alert is declared, that they cannot go back to their home port without the ability to be seen by a Customs or INS office, which is going to be extremely difficult in the case of the Rochester area, which I also represent. They might have to go as far away as Alexandria Bay to accomplish that. That may

not sound so drastic, but you can almost walk on the boats in the summertime. And it is very important that we can try to straighten that out so we do not have an extraordinary bottleneck on that.

We are very much impressed with our Canadian friends. I am a member of a U.S.-Canadian Parliamentary group that meets every year. We met in May and our Canadian friends gave us the assurance that any container of anything coming over from Canada into the United States would be declared clean. That was comforting to know that they really believe, that they are on it, and that they will take care of their side of the border and we will take care of ours.

Mr. BONNER. Absolutely. They have been forthcoming in actually taking some actions. I have personally spoken to some Canadian Customs and Revenue when we went to Level Orange several times. They have initiated some action on their side of the border, as you probably know, to do some outbound inspections of people and vehicles coming into the U.S., and we are very appreciative of what they have done.

The NEXUS enrollment, we need to do better in the Buffalo area. It is doing very well in Blaine, Washington and some other areas. We need to work to increase the enrollment and perhaps give some greater incentives for people to join into that program, and we are working on that.

Ms. SLAUGHTER. We should because at the best of times the bottleneck at those bridges is just an absolute hindrance of everything we try to do up there. Truck traffic is enormous, and you can wait three or four hours just to try to get across that border.

Mr. CAMP. I have just a couple of organizational questions. There is now two agencies with the word customs in them, Customs and Border Protection and Immigration and Customs Enforcement, and I wonder, just briefly, how the two agencies are working together to make our borders safer.

Mr. BONNER. It is very important that they work together and the links maintain because there are interrelationships that result from essentially the trifurcation of the INS, which was abolished under the Homeland Security Act. But here is what we have done: on March 1st, or very shortly thereafter, we proposed and implemented, a permanent working group between Customs and Border Protection on the one hand, which inherited about 55 percent of all of the INS employees—over 20,000—and BICE, which is the Bureau of Immigration and Customs Enforcement, which has the special agent criminal investigators, including those that were in U.S. Customs—3,000 or so—went over to BICE in the Interior/Immigration Enforcement functions. For certain issues it is important to include within this yet the third bureau, which is the Bureau of Citizenship and Immigration Services. So we also have, in addition to the working group between BICE or CBP or Customs and Border Protection, a trilateral that includes BCIS.

We identify these touchpoints between these two, or in the other case three, agencies that we make sure have the coordination mechanisms that are required and needed to make sure that we are moving forward in a coordinated way, particularly with respect to what I will call legacy Immigration issues. That is essentially what we have done.

Now, also within the Department you have oversight of, at least at the Departmental level, an ability to coordinate any issues that arise, that required a coordination between what we would call, I guess, the legacy INS pieces that are now in the Department of Homeland Security.

Mr. CAMP. I also know the administration's fiscal 2004 budget proposed and outlined a reorganization plan that created Homeland Security Regional Offices, and years ago Customs had a regional system that was disbanded because of the problems with standard enforcement. And I was wondering, are there any plans that you have to reorganize the Bureau of Customs and Border Protection based on a regional organizational model? And if you do, could you address the uniformity issue that I think caused for disbanding of these regional offices in the past?

Mr. BONNER. You are absolutely right. I mean Customs at one point actually 10 years ago or so had six or seven regional offices, do not hold me to it, with a regional commission. That was thought, and I think correctly so, to be something that did not promote, let's say, the efficiency that a national-level organization needs to make sure that their uniform rules are applied at the ports of entry, and there are over 300 ports of entry into the United States, land border, seaports and the like. So they were gotten rid of. I have no plans to reorganize.

U.S. Customs had a structure in which there were 20 Directors of Fields Operations throughout the country that oversaw some of the 300 or so ports of entry. And it is a short chain of command, right into headquarters and to the Assistant Commissioner of Field Operations, who reports to me. I do not contemplate changing that structure.

Now, having said that, at the Department level, there is some consideration being given, and I do not believe any decisions have been made, but some consideration being given to what kind of structure should the Department itself have regionally. And that is an issue I know that is being looked at, but I do not believe, at this juncture, that any decisions have been made with respect to what that structure would look like and how the component agencies or bureaus, like Customs and Border Protection, would fit into that structure. I believe it is something being looked at. I do not believe any decisions have been made.

Mr. CAMP. Thank you very much. The gentleman from New Jersey may inquire.

Mr. PASCRELL. Commissioner, I have to say that I wish that the other areas, many of the other areas under the jurisdiction of Homeland Security would have made the progress I believe you have made. Your folks from Customs have come into New Jersey on three different occasions and done a terrific job. There is a real honest synergism there. They are not afraid to say this is what they need, because that is our job to do what we possibly can and not give them lip service. We have done that a lot. That is not for you to answer. That is for me to say.

I think they have done an excellent job. They have been candid. They have been professional, and I like working with them. We had a major problem in this country with the large trucks that were coming in from Mexico before 9/11. In fact, Congress addressed

that issue and then the administration addressed that issue. The administration's solution to the problems that were occurring and the recommendations to precipitate commerce was to allow the trucks to go beyond the 20-mile radius over the border. Some of us agreed with that; I did not; many of us did not.

Now, we have gone through that policy change, and I want you to tell us, honestly, what you think has happened and has that made your job any more difficult now that these trucks, many of which cannot pass muster, you know that many of them are driven by unlicensed drivers, these trucks have not been inspected in God knows when, has that made your job any more difficult?

Mr. BONNER. The main concern that I have as Commissioner for Customs and Border Protection is the ability to conceal terrorist weapons to be sure, but also illegal drugs and even potential aliens. When I say that, let me hasten to add that the utterly deplorable deaths of 19 illegal migrants in Texas, that truck did not come through the border. They came across in ones and twos, and then a tractor trailer truck picked them up in Harlington, Texas and put them in a situation where some of them suffocated.

But having said that, look, we are concerned about the ability to bring in illegal drugs and other contraband and the like. I was just down in Nogales, Arizona just about a week ago, and the question of the safety of these Mexican trucks is a question for the Federal Transportation Safety Administration. And I do not believe these trucks are actually going through yet. So I have heard there is a change of policy, but, it looks like they are still switching trucks within the 20-mile radius right now. Ultimately, you are asking me the question are these trucks safe. It is the job of the Federal Transportation Security Administration to make sure they are safe, that the brakes are safe, that the drivers are trained and the like, and it is important that we do that for the safety of our highways and the safety of our people.

Mr. PASCRELL. It seems to me, Commissioner, there is a contradiction here that we have been so concerned with folks that—who, particularly, have their origin from other countries, and at the same time allowing these vehicles to liberally come through our borders. We do not know what is in those trucks. We know that the DEA and Customs have found, in many cases, in vegetable trucks that have come over the border that they have been able to examine, only two percent of them, and have found contraband in the middle of lettuce or whatever. And yet we are worried about a few people coming across the border, and we should be because we want to know who is coming into this country; we have every right to know that. Because of their country of origin, we give them a more difficult time than anybody else. To me it does not make any sense. I would like you, if not today, to give us a report on that, if you would, through the Chair. I think we deserve to know who and what is coming across the border.

Mr. BONNER. I would be happy to do that. I would make the point, the critical point, in terms of smuggling of drugs or contraband, is the truck passing through the port of entry? With all due respect, we inspect more than two percent of those trucks.

Again, it is a risk-management basis. We do not inspect all of them, but we do inspect a larger percentage of that, and we do it

based upon an analysis of drug smuggling, sometimes with some specific intelligence from the DEA, but frequently most of the illegal drugs that are seized by Customs are based upon our efforts at the southwest border. Customs seizes about one million pounds of drugs, a lot of that is marijuana, every year coming across the Mexican border. Last year it was a million pounds. If you add the Border Patrol between the ports of entry, that is another million pounds. It was two million pounds of illegal drugs coming across the Mexican border that we seized.

Mr. PASCRELL. One more question.

Mr. CAMP. The gentleman's time has expired.

We will try to go to another round, and you will have two minutes at that time, but there have been a lot of members with a lot of questions.

Commissioner, thank you for the generosity of your time, and we are going to do another round. It will be two minutes each so it will move a little more quickly.

At this time, I yield to the ranking member from California, Ms. Sanchez.

Ms. Loretta SANCHEZ of California. Commissioner, I have one quick question, and then I want to get to the U.S. VISIT that you did not get a chance to answer in the first round.

First of all, has the seaside caught a container yet that contained a terrorist weapon or a precursor?

Mr. BONNER. I would not say a terrorist weapon, certainly, in the sense of a weapon of mass destruction, but we have intercepted, through CSI, a shipment of automatic weapons. We have intercepted and identified and intercepted some other things that were contraband. By the way, I am not here saying they were related to a terrorist group. But I do think that, to some degree, they do demonstrate the efficacy of having a system where you are targeting and actually screening cargo containers.

Ms. Loretta SANCHEZ of California. Maybe you could give us a one or two-page report of some of the types of things that you have found that have been somewhat alarming with respect to cache of weapons or what have you, so we have a knowledge of what you were able to find.

Mr. BONNER. I will be happy to do that.

Ms. Loretta SANCHEZ of California. I want to go back to the U.S. VISIT because in your testimony before the House Appropriations Subcommittee, you discussed that program and you testified that you have U.S. VISIT in the budget for BCBP, but you do not have programmatic control. So if you do not have control over the program, then why is it in your budget? That is my first question, and the second question would be, the House Appropriations Subcommittee actually downgraded the amount of monies going towards U.S. VISIT by about \$130 million because \$375 million previously appropriated that still remains available has not been used and because the Department of Homeland Security has been very slow in providing a comprehensive spending plan for that, if it is such a high-priority program. If Secretary Ridge said that it would be done by the end of this year, why is there no comprehensive spending plan, when will one be completed and can you commit, today, to a specific completion date? Thank you.

Mr. CAMP. Commissioner, if you could answer briefly so we can get to the other questions.

Mr. BONNER. Let me tell you that the Secretary, I know, is committed to implementing U.S. VISIT. The budget for that has been shifted because I do not own the program at Customs and Border Protection. Obviously, my agency will be involved in how it is designed and built and will be the ones that will be doing a lot of it in terms of people at least entering the United States. So the budget has been shifted. I do not know the status of the spending plan on that and where that is and whether that has been submitted or not. I would be happy to check for you, and I will look into it, but I do not know the status here today.

Ms. Loretta SANCHEZ of California. Who would we talk to? Who is responsible for it?

Mr. BONNER. As I understand it, pragmatically the U.S. VISIT program is being developed within the Border and Transportation Security Directorate of the Department. And, specifically, Jim Williams and Bob Mockney are the two key program guys, people that are putting together and developing the program. And as you know, the goal is to at least have the capability of doing entry at U.S. international airports and seaports by the end of this year, calendar year I might note. So I know that the Secretary is strongly committed to this.

Ms. Loretta SANCHEZ of California. If you can find out and we will ask also from our end. I just want to know, how is it being spent, when is it getting done, what is the plan for? Thank you very much.

Mr. BONNER. We will do that. Thank you.

Mr. CAMP. Thank you very much. The gentleman from California may inquire.

Chairman COX. Thank you, Mr. Chairman. Just on behalf of Congressman Lamar Smith, who had to leave, he asked me to follow up with a question regarding the Treasury regulations that he inquired about. Did the Department of Homeland Security comment on those proposed regulations in the interagency process?

Mr. BONNER. I can tell you this, Mr. Cox, I did not directly participate in those, either as Customs when it was in the Treasury Department or since it has gone to the Department of Homeland Security. I assume that the Department of Homeland Security, at some level, participated in the interagency process to comment on the position taken by Treasury and adopted. But as I sit here, I do not know the answer. I will find out for you and be happy to submit it for the record.

Chairman COX. Do you know which part of the Department would be responsible for commenting on the proposed regulations?

Mr. BONNER. I would think a personal counsel would be involved in that process and given that, essentially, these were an issue of whether to accept a form of identification with respect to vis-a-vis financial institutions in the United States banks and so on, I would think that, the policy component of the Department of Homeland Security would have been involved in considering and thinking about those things and formulating a position for the Department. But I am speculating a bit, Mr. Cox, I have to tell you.

Chairman COX. Unless I am mistaken, I see this as an issue of identify forgery, and I take it that that falls within the Bureau of Customs and Border Protection responsibility.

Mr. BONNER. We are not accepting this card as proof of the identity for purposes of getting into the United States. That was not the issue, as I understand it, that was being asked on. It was really whether or not U.S. financial institutions could use this as a form of identifying individuals that are quite possibly or maybe illegally residing in the United States for purposes of opening up a bank account and establishing an identity.

Chairman COX. But is the use of fraudulent identification and identify forgery something that the Department of Homeland Security and you are concerned with?

Mr. BONNER. Absolutely.

Chairman COX. Where in the Department is that? Is that not with you?

Mr. BONNER. We are particularly concerned about that on a number of levels. Obviously, part of the point of US VISIT is to incorporate a biometric to establish identity with respect to at least nonimmigrant aliens that are entering the United States and being able to determine when they are exiting. I guess on another level, U.S. Immigration inspectors, which are now part of Customs and Border Protection, have always been concerned, and we continue to be concerned, with respect to document fraud. These are entry documents. These are fraudulent passports. These are fraudulent U.S. visas and the like that someone might attempt to use to gain entry into the United States.

Chairman COX. Mr. Chairman, I know we are on a two-minute string here, so I will request on behalf of Mr. Smith, that the Department, in whatever form, either through you or some other appropriate exponent, let the committee know, subsequent to the hearing, in writing, what position the Department did take, because I infer from your response that the Department did take a position and, Mr. Chairman, I would just observe that our concern, from a homeland security standpoint, is people transiting through Mexico in this case. They do not need to be Mexicans. In fact, by all indications, we have the whole world to be concerned with. But if someone can use documentation that is formally approved by the United States Government to establish bank accounts, if they have driver's license, if they have bank accounts, they can get credit cards, they can fabricate an entire identify, they can move money around. This is something about what is, the reason Treasury is so concerned about movements of money among terrorists. It is one of the ways that we have to get after them. So the fact that this relates, as you say, merely to the establishment of bank accounts, does not seem to me to leave it out of the orbit of what we should be concerned with here.

Mr. BONNER. I know what the debate is, and I have some views here. Mr. Cox, I do have to say one thing just to be perfectly accurate, and that is I assume the Department of Homeland Security took a position on this. I do not know that for a fact. I did not participate in it any way. I just assumed that.

Chairman COX. Of course, if there is no position taken, and there is no position of the Department that would be a suitable response.

Mr. CAMP. Does the gentleman from New York seek to inquire? The gentleman is recognized for two minutes.

Mr. SWEENEY. Mr. Chairman, thank you for the time. I apologize for being late. I just got back into town. Commissioner Bonner, welcome. I have a number of other questions that I will submit for the record, and I will seek unanimous consent at the appropriate moment to have a statement read into the record.

I represent a district greatly impacted, if not indeed directly impacted, by northern border issues. I see my friend Ms. Slaughter here. We share a lot of common concerns and interests. And I suppose the first, as one who has advocated for a number of years improvement of northern border facilities, as it relates to both security and as it relates to economic needs, I am wondering if you could very briefly give me a general statement on your view of the northern border issues, especially northern New York border issues, in terms of reducing wait times and the need for improvements and infrastructure and facilities.

Mr. BONNER. It clearly became more important to increase our security posture with respect to our northern border, but we have been attempting to do so with, I think, considerable success bilaterally with Canada. We are not putting all the security at the physical border itself which would choke off the flow of trade across that border and the legitimate people who want to move back and forth across that border. So there is a threat. We saw that threat very dramatically. My formative experience as Commissioner of Customs, I was here on 9/11, that was horrendous. My formative experience was September 12, 13 and 14, when we were developing the 10 to 12-hour wait times at our northern border at the Ambassador Bridge over in Detroit and the Peace Bridge and other places along our border. We have been adding personnel, staffing and technology to do better detection and to be able to essentially meet these twin goals I described of both adding the security we need with respect to our mutual border with Canada.

Mr. SWEENEY. If I could interrupt, since I am limited in time. I ask unanimous consent to submit for the record a statement and other questions.

Mr. CAMP. Without objection.

Mr. SWEENEY. You talked about the multinational multijurisdictional approach. How do we handle, there is a situation in up-state New York relative to the Saint Regis Indian Reservation and the notion of who has jurisdictional authority. The State folks say it is the Feds. The Feds say it is the State and or the Indians. The Indians have, to varying degrees, been involved or not involved in the coordination of that. Can you tell us what you have done, what Customs has done, to better obtain a handle on that situation and circumstance?

Mr. CAMP. The gentleman's time has expired. If you could answer briefly so we can get to other questioners.

Mr. BONNER. I believe this is what I call the Akwesasne Reservation in New York. It is a big security hole in our border both for smuggling and potential terrorists. We are working with the Canadians to try to shore that up. We are trying to add additional Border Patrol resources to the northern border to give us a better secu-

rity perimeter and to be in a better position to better secure what is an area of vulnerability.

Mr. SWEENEY. I would like a briefing from your staff more completely. I know we do not have time here, but if you could provide that for me I would appreciate that.

Mr. BONNER. Okay.

Mr. CAMP. Thank you. The gentleman from Texas may inquire.

Mr. Turner of Texas. Thank you, Mr. Chairman.

Mr. Bonner, in your next fiscal year budget are you going to need more money or less money to operate?

Mr. BONNER. I am trying to get my budget gears here. We, of course, we have the 2004 budget request in that is the President's request. It does involve an increase in resources or funding. But if you are looking at the 2005 budget, Mr. Turner—

Mr. TURNER of Texas. Actually, I was looking at the 2004. I was wondering if, under your particular jurisdiction, under your Bureau of Customs and Border Protection, will you need more money, less money, the same money? Which way are your needs indicating you need to go?

Mr. BONNER. Overall, we are looking for some specific increases in budget requests. Part of those are, just for example, \$65 million to fund the Container Security Initiative in 2004. There are some additional items that we are seeking to fund, Customs Trade Partnership Against Terrorism, it is a rather minor amount of funding. It is about \$12 million additional funding for that, but there are a number of items.

Mr. TURNER of Texas. Are you aware that the Homeland Security Appropriations Subcommittee, this last Thursday, adopted a budget for your bureau that is a billion dollars less than the President's request, and, in fact, would fund you at \$216 million less than you are currently being funded in this fiscal year?

Mr. BONNER. No, I was not aware of that. The overall request, I believe, is pretty close to \$6 billion for the Customs and Border Protection. I do not believe that represents a decrease in the funding levels, but we are— and the reason I hesitate, Mr. Turner, just so you know, is that we are taking Customs or most of Customs and then we are integrating and unifying in it the Border Patrol and other parts of the INS and even part of the Department of Agriculture. I am not saying you are wrong either. My understanding is not that we were getting a decrease, but that we certainly have initiative requests that are in the order of \$330 million more or less for initiatives under the President's request for the 2004 budget for the Customs and Border Protection.

Mr. CAMP. Thank you. The gentleman from Massachusetts may inquire.

Mr. MARKEY. Thank you, Mr. Chairman.

I am very concerned about radioactive packages being illegally shipped to the United States by terrorists. In January of 2002, FedEx shipped a 300-pound package containing 9,400 curies of radioactive iridium-192 from Paris to Louisiana. For some reason, the radiation leak went undetected by officials at both U.S. Customs and FedEx. Obviously, this raises serious questions. And you and I have had a series of letters and correspondence over the last year and a half on this subject. In one of these letters, you told me

that you were going to seek funding for nonintrusive-radiation-detection technology that would be able to screen all packages for nuclear radioactive materials coming into the United States. Where are we now, a year later after you responded to me, that you would put that program in place?

Mr. BONNER. Well, we are a long way down the road in terms of radiation detection capabilities from where we were a year ago in a number of ways. One is we have added literally thousands of radiation detection devices. These are personal radiation detection devices so that now—

Mr. MARKEY. Actually, in an earlier letter to me, you told me that the personal radiation devices did not work and that they only respond to directional radiation and that the agents wearing them were not in the right location with respect to a leaky package, the personal radiation devices would not go off. And that was the point of my correspondence with you, that you said you were going to actually purchase nonintrusive radiation devices to go around the packages. How many of those devices have you purchased in the last year?

Mr. BONNER. If I could complete my answer, Mr. Markey. It is a combination of technology that we have added. And first of all, gamma detecting radiation devices are effective to detect most radiological material, so there is that. We have purchased and deployed, now, well over 200 isotope identifiers, so that when you get radiation rates, you can actually determine what the nature of the substance is through a container or through a package to determine whether it is an innocuous radiological source consistent with the shipment or whether it is potentially weapons-grade material and the like. Thirdly, we have purchased and have deployed, now, radiation portal detection systems that go beyond simply gamma detection capabilities. We have deployed 54 portal radiation devices along the northern border. We have a few at seaports and we have, working with both UPS and FedEx, we have developed and implemented and are in the process of implementing radiation detection capabilities with respect to those kinds of air couriers.

Mr. MARKEY. What percentage of all packages coming into the United States are now screened with nonintrusive technology like the isotope identifier or the portal monitors?

Mr. BONNER. Well, virtually 100 percent of all of the packages—well, I take that back because, if you are using a portal radiation device, you have to be in proximity to the material. That means you have to have sorted it out in some way to do it. You started off with talking about express couriers and their packages, and I do not know that you are limiting it to that, but they are putting in place, and I will get you exactly where it stands, but they are putting in place systems that will screen 100 percent of the packages that are moving through FedEx and United Parcel Service. We have also established radiation detection devices at the mail facilities, so that we are screening now 100 percent of packages that are coming in through our international mail facilities. And, as I said, we are in the process of rolling out beyond these personal radiation detection devices, portal detection devices at many of the prominent land border points of entry into the United States. And

by the way, when you do that, you get 100 percent screening for radiation.

Mr. MARKEY. Thank you, Mr. Chairman.

Mr. CAMP. The gentleman from Arizona is recognized for two minutes.

Mr. SHADEGG. Thank you, Mr. Chairman.

Commissioner Bonner, thank you very much for being here and for your efforts to protect our Nation's border. I want to apologize for being late. My plane just landed, so I could not be here for all of your testimony.

As a representative of a border State, I have grave concerns about our borders. And I represent Arizona, and along with my colleague Mark Souder, who chairs the Subcommittee on Border Security on the Government Reform Committee, I have spent a lot of years on the Arizona/Mexico border but also on our other borders looking at the drug issue and other issues since 9/11.

I am, as I think you know, also intensely interested in the Shadow Wolves Program. I have spent some time with them and seen them in operation. I am very impressed with them. And we will have an opportunity to discuss that tomorrow, but I would hate to lose that capability.

What I would like to discuss with you today is the issue of unmanned aerial vehicles. As you know, Secretary Ridge was before this committee several week ago and indicated his desire to support and implement, as soon as this summer, a pilot program on unmanned aerial vehicles for use along our borders to deal with how porous they are. I am intensely interested in that. The entire Arizona Delegation has expressed, in writing, its support for such an effort. Our border, I think, is, quite frankly, out of control. You were recently at the Arizona/Mexico border; is that right?

Mr. BONNER. I was down in Nogales, both sides.

Mr. SHADEGG. Did you go east or west?

Mr. BONNER. I was in the Sonoran Desert. I went out about a hundred miles west to a Border Patrol camp that is in the middle of the Sonoran Desert.

Mr. SHADEGG. So you went west of Nogales?

Mr. BONNER. Yes.

Mr. SHADEGG. You saw a very porous section of the border where we have an Indian reservation on one side that actually crosses the border. We also have a national park. In that visit, were you convinced that UAV's are a viable option or are at least an important strategy?

Mr. BONNER. I am convinced we need better detection capabilities and UAV's may well be a good answer for stretches of the border where we do not have sensors, enough sensors and detection capability. The same may be true at the northern border, but I do need a specific brief, which I will be getting in the next week or two, with respect to how UAV's would fit in and what their capabilities are, what kind of UAV's would be best and also a cost comparison between the UAV's and operating and maintaining them, as opposed to let's say using conventional helicopters and the like.

Mr. SHADEGG. The helicopters we have and use but they are so expensive to operate that we cannot keep them in the air very long, so they do not fulfill, I think, the real need.

Who will be giving you that brief, if I might ask, and who, in your Department, is in charge of UAVs at this point?

Mr. BONNER. Primarily the part of Customs and Border Protection that is specifically looking into this issue for me is the Border Patrol with our Applied Technology Division, which is part of our Office of Information Technology. But we are going to go to the military. And, by the way, I do believe that it will make sense to do some sort of pilot as soon as we can do that, and we will be working with the military and JTF-6, which is out of El Paso to pilot and actually demonstrate the capabilities of the UAV for better detection capability in terms of the movement of people entering unlawfully into our country, illegal aliens as well as drug smugglers.

Mr. SHADEGG. My time is expired, but could you provide me either now, or as soon as you can, the name of someone on your staff who would be in charge of assessing UAV's, can you do that?

Mr. BONNER. I can do that.

Mr. CAMP. Thank you. The gentleman from New Jersey.

Mr. PASCRELL. Commissioner, the Border Patrol says it needs 11,700 people on the border. Therefore, we are 2,200 agents short. What are you doing it—

Mr. BONNER. I just inherited the Border Patrol on March 1st. The first thing I did was to tell them we need, as a minimum, 1,000 Border Patrol agents on the northern border. That is being implemented right now.

I am looking at the overall question of what is the need, and, by the way, it is the combination of things like sensor technology, air surveillance, whether that is unmanned or manned, as well as staffing. I do not know exactly what that number is, and I do not know where that 11,700 number comes from.

Mr. PASCRELL. It comes from the Border Patrol.

Mr. BONNER. Yes, but when it came from the Border Patrol—the Border Patrol is now part of Customs and Border Protection. They were part of the INS on February 28. I am the one, ultimately, that will determine what number of additional Border Patrol agents are needed and where they are needed. That is something I am looking at. By the way, I will tell you, my preliminary analysis is we need more Border Patrol agents.

Mr. PASCRELL. I think we do.

Mr. BONNER. Part of the 2005 budget process will be to work this, as I must and should, within the Department and within the Administration as to what that number is.

Mr. PASCRELL. One final question. We are establishing a database in terms of what comes into this country in the 12 million containers throughout the major parts of ports of this Nation. It is quite obvious we will not examine every container that comes into this port. We will profile those that are necessary and pull them out and do the examination. Yet, we will rely on what other countries are telling us about what is being shipped from these those countries. Which countries are not cooperating?

Mr. BONNER. Well, I am not relying upon other countries telling us which containers we should look at. I promulgated with respect to sea containers, and, by the way, I am in the process of looking at promulgating a rule under the Trade Act of 2002 for other

modes which are air cargo and rail and so forth, but we are carrying gathering this information. We have a database of information.

Now, we were getting, in addition to that, through CSI and other means, information that is being shared with us by the countries that we are partnering with the Container Security Initiative. We started essentially a process here with the Container Security Initiative of going to every country that had one of the largest major container foreign ports that was shipping containers to the United States and so far every country has been willing to participate with us.

Mr. PASCRELL. Including China?

Mr. BONNER. Including China. In fact, the President of the China, both Presidents, by the way, President Jiang Jemin last October, and, more recently I understand, the President of China when he met with President Bush, have committed to joining the Container Security Initiative with us. It is very important because, as you know, Shanghai is one of the largest ports in the world in terms of shipment of cargo containers into the U.S. and the other port in China, Yantian, is also a very sizeable port, in terms of shipments to the west coast.

So they have indicated that they are prepared to join with us. It is not operational at either one of those two ports now. So we have some work to move as promptly as we can working with the Chinese Government to get, to actually get, CSI implemented in those places. Those are two of the ports we do have not it implemented yet and it is very important we get CSI implemented in those ports.

Mr. PASCRELL. Thank you very much.

Mr. CAMP. Thank you, Commissioner Bonner, for your testimony. We appreciate your time and your statement. This concludes Panel I.

Mr. BONNER. Thank you, Mr. Chairman.

Mr. CAMP. I will now call Panel II. Mr. Richard M. Stana, Director Homeland Security and Justice, United States General Accounting Office.

Thank you, Mr. Stana. Your written testimony has been made available to the committee members. We have copies of it. It will be part of the record, and you have 5 minutes to summarize your testimony if you would so like.

STATEMENT OF RICHARD M. STANA, DIRECTOR OF HOMELAND SECURITY AND JUSTICE, UNITED STATES GENERAL ACCOUNTING OFFICE

Mr. STANA. Thank you, Mr. Chairman, Ms. Sanchez and members of the subcommittee, I am pleased to be here today to discuss challenges facing the Bureau of Customs and Border Protection as it attempts to balance our Nation's security and commercial needs. Addressing these challenges is especially important in the aftermath of 9/11 terrorist attacks that changed the Nation's security environment and within the context of the modern supply chain and its demands for just-in-time inventory deliveries. To be sure, BCBPs cargo and traveller-related workload is substantial and likely to grow. Last year it processed almost 25 million trade im-

ports entries valued at over 1.1 trillion dollars. It also processed about six million cargo containers arriving at U.S. seaports. Also, its inspectors at over 300 ports of entry inspected nearly 450 million travelers, while the Border Patrol apprehended nearly 960,000 aliens trying to enter the U.S. illegally between the ports of entry. Whether we are talking about cargo or travelers, BCBP has long recognized the need to identify what and who is high-risk, to do so as early in the process as possible, and to target its enforcement efforts accordingly. Not only does this enable efficient use of limited enforcement resources, but it also minimizes the impact on the flows of legitimate trade and travelers.

My prepared statement outlines the results of our most recent work that address BCBP's various cargo and traveller inspection programs, as well as the transformation issues posed by the creation of DHS.

In my oral statement, I would like to briefly discuss four key challenges that cut across both cargo and traveller inspections.

Mr. STANA. The first challenge involves intelligence. Simply put, the more advanced information BCBP has on incoming cargo and travelers the better able it is to make a reliable risk determination and take an appropriate action. Our work shows that more needs to be done to improve the availability of actionable intelligence.

For example, while manifest information on incoming cargo has improved in the wake of the 24-hour rule, too often inspectors have to rely on incomplete or inaccurate manifest data to make inspection decisions. This raises the risk that dangerous or unlawful cargo could enter the country undetected. As for travelers, many enter at land ports where advance manifest information is not available and others attempt illegal entry between the ports, sometimes with the assistance of smugglers.

So having reliable intelligence on potentially dangerous individuals or smuggling schemes is particularly important. But BCBP lacks an integrated, uniform structure in the field to gather, analyze and disseminate intelligence information to inspectors at land border ports. Moreover, issues regarding how the legacy Customs and INS intelligence functions will be merged and how the Bureau of Customs and Immigration Enforcement intelligence units are to work with BCBP inspectors and Border Patrol agents has yet to be fully resolved.

The second challenge involves staff training. The influx of new staff, the emergence of new threats and new technologies and the need to learn additional duties in the wake of the DHS reorganization underscore the importance of providing timely and rigorous training. Yet, neither the former INS nor Customs had a standard on-the-job training program for their inspectors working at land border ports. Also, inspectors told us the increased inspection demand in the post-9/11 environment didn't afford them time to take training even if it were offered. In particular, some new inspectors told us that the lack of training diminished their confidence in their abilities to do their jobs.

The third challenge involves the use of technology. While many inspectors over time develop a sixth sense for detecting unusual or abnormal behaviors or circumstances that suggest a potential threat of unlawful activity, our Nation's security should not hinge

on this sense alone. Large-scale x-ray machines, handheld radiation detection devices and computerized data can reduce the need for intensive inspections and help detect or verify a potential threat.

Important as these are, there are limitations. In some cases, inspectors told us the equipment can't see all potentially troublesome items, yet in other cases, the technology simply isn't available. At land border ports checking several databases for information about travelers was cumbersome and time-consuming.

The last challenge involves the management controls needed to ensure that policies and procedures are well designed and implemented. I know that Members' eyes glaze over at the mention of internal controls, but all too often important things don't get done due to faulty procedures, lack of follow-through or lack of supervision. For example, we heard that more intensive traveler inspections weren't done at some land ports because controls over traveler whereabouts and departures were inadequate. We also found that supervisors were not walking the line to help assure their subordinates were doing their jobs correctly, because staff shortages required them to perform inspections themselves. And inspector best practices were not shared among ports, in part because there was no consistent process to assure that such sharing occurred.

In closing, let me say that BCBP personnel make crucial security decisions every day. They stand on our Nation's line of defense, and failure to effectively carry out their duties would expose us all to potentially very serious consequences. BCBP faces numerous and difficult challenges—some are long-standing like managing cargo and traveler risks, and some are new like transforming legacy agencies with preexisting problems into a new organization. In the final analysis, its success will depend largely on dedicated and sustained leadership and management attention to addressing challenges that we and others have identified. This concludes my oral statement. I would be happy to answer any questions you or other members of the subcommittee may have.

[The statement of Mr. Stana follows:]

PREPARED STATEMENT OF MR. RICHARD M. STANA

Mr. Chairman and Members of the Subcommittee:

I am pleased to be here today to discuss the longstanding challenge of balancing our nation's security and commercial needs, an issue that is especially important in the aftermath of the September 11, 2001, terrorist attacks that changed the nation's security environment. Addressing this challenge now falls principally to the Department of Homeland Security (DHS) and its Border and Transportation Security directorate. Within this directorate, the responsibility has been assigned primarily to the Bureau of Customs and Border Protection (BCBP). BCBP consists of the inspections component of the former U.S. Customs Service; the Border Patrol and Inspections components of the former Immigration and Naturalization Service (INS); and a former component of the U.S. Department of Agriculture, the Animal and Plant Health Inspection Service (APHIS).¹

Achieving the balance between security and commercial needs is greatly affected by BCBP's commercial and border and immigration control workload. Regarding commercial workload, in fiscal year 2002, the former U.S. Customs Service processed 24.9 million trade import entries valued at over \$1.1 trillion and collected \$23.8 billion in duties and fees; it also processed about 6 million cargo containers arriving at U.S. sea ports. While the cargo workload has stabilized somewhat as a result of

¹ Following the creation of DHS and its absorption of Customs, the Secretary of the Treasury retained authority over Customs' revenue functions.

the recent global economic slowdown, it is likely to begin growing again when an economic recovery is underway at some point in the future, thus exacerbating the challenges BCBP faces. Regarding border and immigration control workload, in fiscal year 2002, inspectors at over 300 ports of entry inspected nearly 450 million travelers while the Border Patrol apprehended nearly 960,000 aliens trying to enter the U.S. illegally between the ports of entry.

BCBP faces many challenges as it performs its important missions. In my testimony today, I make the following points:

- With respect to cargo, BCBP has attempted to select and inspect the highest-risk incoming cargo, while enabling legitimate cargo to be cleared in a timely manner. These efforts pose a range of challenges, from the availability of threat assessments and actionable intelligence to the capability of nonintrusive inspection technology to detect potentially harmful contraband. BCBP has made some progress in implementing initiatives that are designed to improve the efficiency of its regulation of legitimate commercial activities. But, additional challenges remain, including the need to improve its trade compliance program and to successfully implement its new trade processing information system.

- BCBP also faces many challenges with respect to preventing illegal entry by individuals into the United States. These challenges impact BCBP's ability to detect and deter illegal entry between ports of entry and to identify those individuals who should not be permitted entry at the ports. BCBP is faced with continuing to implement its southwest border strategy while simultaneously addressing emerging concerns over illegal entry along the northern border, mitigating the negatives affects the strategy may have on communities, and responding to continuing concerns over the safety of aliens who cross in remote and desolate areas. At our nation's borders, the challenges include detecting false admissibility documents, unifying and enhancing inspector training, providing timely intelligence to the field, and successfully implementing the new entry-exit system.

- In our recent Performance and Accountability series report, we designated implementation and transformation of DHS as high risk based on three factors. First, the implementation and transformation of DHS is an enormous undertaking that will take time to achieve in an effective and efficient manner. Second, components to be merged into DHS, including those forming BCBP, already face a wide array of existing challenges, some of which are described in this statement. Finally, failure to effectively carry out its mission would expose the nation to potentially very serious consequences.

My testimony today is intended to provide an overview based primarily on the results of work that we have completed in recent years, namely, our Performance and Accountability Series and High-Risk reports related to DHS, Justice and Treasury;² DHS's international mail and package inspection processes;³ DHS's acquisition and deployment of radiation detection equipment;⁴ the Border Patrol's southwest border strategy;⁵ DHS's spending plans for its planned system to monitor the flow of foreign nationals in and out of the United States;⁶ and our investigators' efforts to enter the country using fraudulent documents.⁷ My testimony also highlights our ongoing work related to cargo inspections and individual inspections at land ports of entry.⁸

²U.S. General Accounting Office, *Major Management Challenges and Program Risks: A Governmentwide Perspective*, GAO-03-95 (Washington, D.C.: Jan. 2003); *Major Management Challenges and Program Risks Department of Homeland Security*, GAO-03-102 (Washington, D.C., Jan. 2003); *Major Management Challenges and Program Risks: Department of the Treasury*, GAO-03-109 (Washington, D.C.: Jan. 2003); and *High-Risk Series: An Update*, GAO-03-119 (Washington, D.C.: Jan. 2003).

³U.S. General Accounting Office, *U.S. Customs Service: International Mail and Package Inspection Processes at Selected Locations*, GAO-02-967 (Washington, D.C.: Aug. 2002).

⁴U.S. General Accounting Office, *Customs Service: Acquisition and Deployment of Radiation Detection Equipment*, GAO-03-235T (Washington, D.C.: Oct. 2002).

⁵U.S. General Accounting Office, *INS' Southwest Border Strategy: Resource and Impact Issues Remain After Seven Years*, GAO-01-842 (Washington, D.C.: Aug. 2001).

⁶U.S. General Accounting Office, *Information Technology: Homeland Security Needs to Improve Entry Exit System Expenditure Planning*, GAO-03-563 (Washington, D.C.: June 2003).

⁷U.S. General Accounting Office, *Weaknesses in Screening Entrants into the United States*, GAO-03-438T (Washington, D.C.: Jan. 30, 2003) and *Counterfeit Documents Used to Enter the United States from Certain Western Hemisphere Countries Not Detected*, GAO-03-713T (Washington, D.C.: May 13, 2003).

⁸The cargo inspection work was requested by the House Committee on Energy and Commerce. The individual inspections at land ports of entry work is being done pursuant to a mandate in the Illegal Immigration Reform and Immigrant Responsibility Act of 1996. Since this

Challenges Related to Cargo Processing

BCBP has undertaken efforts to focus its enforcement on selecting and inspecting the highest-risk incoming cargo, while enabling legitimate cargo to be cleared in a timely manner. It has a number of initiatives underway aimed at improving its ability to identify potentially risky cargo for inspection. BCBP and Customs before it have longstanding efforts to use information, personnel, and technology to identify such cargo. These efforts pose a range of challenges, from the availability of threat assessments and actionable intelligence to the capability of nonintrusive inspection technology to detect potentially harmful contraband. From a trade facilitation perspective, BCBP has made some progress in implementing initiatives that are designed to improve the efficiency of its regulation of commercial activities. But additional challenges remain, including the need to improve its evolving trade compliance program and acquire a new trade processing system.

Major Cargo Security

According to the Commissioner of BCBP, the priority mission is to prevent terrorists and terrorist weapons from entering the United States. This Initiatives important mission means improving security at our physical borders and ports of entry, as well as extending the zone of security beyond our physical borders. BCBP has a number of initiatives underway aimed at improving security, including:

- Container Security Initiative, which stations BCBP personnel in key international ports to examine high-risk cargo before it is placed on ships bound for the United States.
- Customs-Trade Partnership Against Terrorism and the Free and Secure Trade Program, which are designed to increase supply chain security and expedite the clearance of legitimate trade.
- Non-Intrusive Inspection technology, which increases the ability to detect conventional explosives, nuclear weapons, radioactive components, and other weapons of mass destruction.
- Automated Targeting System, which is used by the National Targeting Center and field targeting units in the United States and overseas to help target high-risk cargo and passengers entering the United States.

We have work underway to review most of these initiatives and will make our results available to the Subcommittee as soon as the work is completed.

Selecting Highest-Risk Cargo for Inspection

Separating high-risk cargo from low- or no-risk cargo is extremely important to BCBP because searching each and every cargo and traveler that enters the United States would cripple the flow of legitimate trade and travel and would require a huge resource commitment. Over the years Customs has recognized that it needed to identify what is high risk—and to do so as early in the process as possible—and target its limited resources accordingly. To select, or “target,” and inspect the highest-risk cargoes and travelers, BCBP relies on the use of threat assessments and actionable intelligence, the ability of inspectors to quickly discover or sense an unlawful cargo, and the use of nonintrusive inspection technology to detect potentially harmful contraband. Each of these poses challenges to BCBP.

Information is key to identifying high-risk cargo. Such information can come from manifests for air and sea shipments, from importers, or from intelligence units within or outside DHS. Accurate information can help BCBP make reliable risk determinations, particularly when it is used in DHS computerized models that help assess cargo risk. Obviously, when information or intelligence is incomplete or unreliable, it can adversely impact on BCBP’s ability to identify potentially risky cargo for inspection.

We are currently reviewing how BCBP is targeting cargo for further inspection and how such cargo is inspected at ports. In this regard, we are reviewing how BCBP developed the model used in targeting, how BCBP is handling the targets generated by the model at sea ports, and whether and how BCBP intends to evaluate targeting. Since this work is ongoing, and involves information that BCBP also considers to be law enforcement sensitive, we are precluded from discussing specific aspects of this matter in this unclassified statement. However, in the broadest terms, our work to date shows that BCBP’s targeting efforts face a range of challenges relating to threat assessments, actionable intelligence, and nonintrusive inspection technology.

Having sufficient numbers of well-trained and motivated staff is also key to identifying high-risk cargo. Inspectors and canine officers are trained to detect unusual

work is ongoing and involves information that BCBP considers to be law enforcement sensitive, we are precluded from further discussing it in this unclassified statement.

or abnormal behaviors or circumstances that suggest a potential threat or unlawful activity. Many have developed a “sixth sense” in that they pick up on latent clues and unconnected information. Nevertheless, these inspectors are challenged by the tight timeframes and pressures they work under to move legitimate cargo through the ports.

Our recent work on the inspection of international mail showed that relying on inspectors alone can increase the risk that contraband enters the country. The inspection of incoming foreign mail remains largely a manual process that relies primarily on physical examination. We found several challenges relating to this process, but BCBP’s determination that our results were law enforcement sensitive precludes our discussing them here. However, at the time our work was completed, one courier was working with the former Customs Service to pilot test an advance manifest system—a computerized database that receives cargo manifest information. The database is intended to allow Customs to analyze incoming package information and make more informed decisions about what packages to inspect.

In addition to information and staff, technology provides for a more effective and efficient process. Large-scale x-ray and gamma-ray imaging systems, portal radiation monitors, and portable and hand-held radiation detection devices can reduce the need for costly, intensive inspections and save inspection time and resources.

As important as the use of technology is, there are certain limitations and challenges that need to be considered. For example, we reviewed Customs’ acquisition and deployment of radiation detection equipment. We found that some of the radiation detection equipment being used—radiation pagers—have a limited range and are not designed to detect weapons-usable nuclear material. Furthermore, experts we contacted did not view pagers as search instruments but rather as personal safety devices. We plan to report later this summer on BCBP’s acquisition and deployment of radiation detection equipment.

Assuring the Timely Flow of Legitimate Cargo

In trying to achieve the commercial-security balance, BCBP is challenged to ensure that antiterrorism efforts do not slow the flow of legitimate international commerce and travel. According to BCBP, it has worked with importers on concerns such as where their goods originated, the physical security and integrity of their overseas plants and those of their foreign suppliers, the background of their personnel, the means by which they transport goods, and those who they have chosen to transport their goods into the country. BCBP has reaffirmed to importers the importance of knowing their customers and has examined the security practices of their freight forwarders and the routes their shipments travel.

Although BCBP has made some progress in implementing initiatives that are designed to improve the efficiency of its regulation of commercial activities, additional challenges remain, particularly in view of the new and heightened emphasis on terrorism. These challenges include (1) continuing to improve its evolving trade compliance program and (2) acquiring a new trade processing system.

Implementing the Customs Modernization Act

Although tempered recently by the global economic slowdown, growth in the volume and value of imports continues to create profound challenges for BCBP to facilitate and enforce U.S. trade laws and regulations. The volume of trade is expected to surpass \$2 trillion in the year 2006. To speed the processing of imports and improve compliance with trade laws, specifically, the Customs Modernization and Informed Compliance Act of 1993 (also known as the “Mod Act”),⁹ BCBP’s predecessor, Customs, developed an “informed compliance strategy.”

In 1999, we recommended that the Customs Service develop and implement an evaluation of the effectiveness of its informed compliance strategy. Customs agreed with our recommendation and completed its Trade Compliance Strategy Study on May 24, 2001. The study indicated that the strategy improves compliance, but the impact on overall compliance rates is small. For example, one initiative, the Company Enforced Compliance Process (CECP), was to address large importers’ noncompliance that had a significant negative impact on the overall national compliance rates. According to the study, Customs was to punish noncomplying companies by imposing “confirmed risk” designations, increasing examinations, removing privileges, and re-

⁹P.L. 103–183, title VI. The Mod Act fundamentally altered the relationship between importers and, at the time, Customs by giving the importer the legal responsibility for declaring the value, classification, and rate of duty applicable to merchandise being imported into the United States. Customs, however, is responsible for determining the final classification and value of the merchandise. The Mod Act also gave Customs and importers a shared responsibility for ensuring compliance with trade laws.

ferring for penalties. However, the confirmed risk status was only used six times, and loss of privileges and referral for penalties were never used. The study concluded that CECF was not much of an enforced compliance process, and it was discontinued.

On the other hand, the study found that the companies' compliance rates increased after they participated in the other initiatives such as compliance assessment and account management initiatives. While it is not possible to attribute the increase in compliance totally to these initiatives, the study concluded that these programs had a positive impact.

Acquiring a New Trade Processing System

Customs' ongoing effort to acquire a new trade processing system is key to modernizing how Customs tracks, controls, and processes all commercial goods imported into and exported out of the United States. This large and complex system, known as the Automated Commercial Environment (ACE), is expected to cost about \$1.7 billion and is to replace Customs' antiquated system. Expected benefits from ACE include speeding the flow of legitimate commerce into and out of the United States, identifying and targeting high-risk commerce requiring greater scrutiny, and providing a single interface between the trade community and the federal government for trade data. In April 2001, Customs awarded a 5-year contract, with options to extend the contract to not more than 15 years, to a system integrator responsible for developing and deploying ACE.

Successfully managing a project as large and complex as ACE is a challenging undertaking. Over the last 4 years, we have reported on ACE and recommended steps Customs needed to take to minimize project risks. To its credit, Customs has taken action to implement our recommendations, as follows:

- We recommended Customs incrementally justify the ACE investment. Customs defined and committed to implement process controls for justifying and making ACE investment decisions incrementally. After implementing the first ACE release, Customs plans to verify that actual costs and benefits meet expectations and plans to continue this incremental investment approach for the remaining ACE releases.
- We recommended Customs ensure ACE alignment with its enterprise architecture. Customs ensured that its enterprise architecture contained sufficient detail to build the first ACE release and has aligned the release with the enterprise architecture. Customs plans to continue to extend its enterprise architecture as necessary to build subsequent ACE releases.
- We recommended Customs have sufficient human capital resources. Customs developed and plans to implement a human capital management strategy for the Customs modernization office, which is responsible for managing the ACE acquisition.
- We recommended Customs develop rigorous and analytically verifiable cost estimating. Customs began developing and plans to implement a cost-estimating program that employs the tenets of effective cost estimating as defined by the Software Engineering Institute (SEI).
- We recommended Customs employ effective software acquisition processes. Customs continues to make progress and has plans to establish effective software acquisition process controls, as embodied primarily in the second level of SEI's Software Acquisition Capability Maturity Model.¹⁰

Customs has made progress in implementing some, but not all, of our recommendations. Moreover, because Customs is in the early stages of acquiring ACE, many challenging tasks remain before Customs will have implemented full ACE capability.

Challenges Related to Immigration Control

To prevent illegal entry of individuals into the United States between the ports of entry, BCBP has deployed significant resources but estimates significantly more are needed. Continued implementation of the southwest border strategy faces a range of challenges, including meeting hiring goals and obtaining needed approvals to deploy fencing and technology to implement its strategy while simultaneously addressing emerging concerns over illegal entry along the northern border, mitigating the negatives affects the strategy may have on communities that experience an increase in illegal alien traffic, and responding to continuing concerns over the safety of

¹⁰ Capability Maturity ModelSM is a service mark of Carnegie Mellon University, and CMM is registered in the U.S. Patent and Trademark Office. The SA-CMM identifies key process areas that are necessary to effectively manage software-intensive system acquisitions. Achieving the second level of the SA-CMM's five-level scale means that an organization has the software acquisition rigor and discipline to repeat project successes.

aliens who cross in remote and desolate areas. At our nation's ports, BCBP faces an array of challenges, including improving inspectors' ability to verify the identity of travelers and whether they can be admitted into the country, unifying and enhancing inspector training, and complying with the congressional mandate to implement a system to track the entry and exit of all aliens.

Deterring Illegal Entry between the Ports of Entry

Deterring illegal entry between the nation's ports of entry will continue to be a challenge for BCBP. In previous work, we reported that the Border Patrol had estimated that significantly more resources would be needed to fully implement its border control strategy and that various factors had impeded the Border Patrol's ability to implement its strategy as originally planned.

Since 1994, the Border Patrol has been implementing a phased strategy to increase deterrence to illegal entry beginning, first, with the areas that had the largest influx of illegal aliens. The strategy postulated that as resources were applied in one area, the flow of illegal alien traffic would shift to other locations along the southwest border where resources had yet to be applied.

In our last report on the southwest border strategy in August 2001, we reported that the Border Patrol estimated it would need between 11,700 and 14,000 agents, additional support personnel, and hundreds of millions of dollars in additional technology and infrastructure to fully implement the Southwest border strategy.¹¹ We reported that it would take at least 5 more years (until 2006) to reach the minimum number of agents the Border Patrol believed it needed along the Southwest border if (1) the administration's agent hiring goals at that time were maintained and met and (2) all new agents were deployed to the southwest border. However, this estimate was made before the September 11, 2001, attacks and the subsequent concerns regarding the need for additional resources to deter illegal entry along the northern border.

BCBP continues to face hiring challenges to meet its estimated needs. The Border Patrol currently has about 9,500 agents deployed along the southwest border. While nearly a 3-fold increase from the 3,400 agents the Border Patrol had along the southwest border in 1994, it is still about 2,200 agents short of the minimum number, 11,700, the Border Patrol said it needed to fully implement the southwest border strategy. Currently, the Border Patrol has 567 agents deployed along the northern border.

We also reported on various factors that had impeded the Border Patrol's ability to implement its strategy, some of which still appear to be problematic. For example, it had taken the Border Patrol longer to implement the strategy than originally planned because, among other things, the Border Patrol experienced difficulties hiring agents and delays in obtaining approvals needed to deploy technology and build fences.

The Border Patrol also recognized the need to make outreach efforts to communities because its initial failure to warn some communities about anticipated increases in illegal alien traffic caught community officials by surprise and angered some residents due to the negative effects the increased traffic had on the community. When apprehensions surged in communities into which the illegal alien traffic was reportedly pushed, officials and residents in one community reported experiencing loss of business, destruction of private property, and environmental degradation. Concerns have been raised over the environmental impact of current plans to build additional fencing along the border in Arizona. A recent news article described how some local residents in the border area southwest of Tucson, Arizona, are patrolling the border to report illegal crossings raising the concern of law enforcement officials. The Border Patrol has realized its goal of shifting illegal alien traffic away from urban areas into more remote areas. However, rather than being deterred from attempting illegal entry, many aliens have instead risked injury and death by trying to cross mountains, deserts, and rivers. This prompted the Border Patrol to implement a Border Safety Initiative consisting of, among other things, a media campaign to warn aliens about the dangers of crossing illegally, as well as establishing search-and-rescue units.

We further reported in August 2001 that although alien apprehensions had shifted along the border as expected, overall apprehensions along the southwest border had continued to increase to over 1.6 million in fiscal year 2000—raising questions about the strategy's effect on overall illegal entry along the southwest border. However, since then apprehensions along the southwest border have declined to less than 1 million in fiscal year 2002.

¹¹ See U.S. General Accounting Office, INS' *Southwest Border Strategy: Resource and Impact Issues Remain After Seven Years*, GAO-01-842 (Washington, D.C.: Aug. 2001).

While there may be many reasons for the decline in apprehensions, in response to our recommendation, the Border Patrol has developed a plan designed to evaluate the impacts of its southwest border strategy. However, the evaluation has yet to be completed.

Preventing Illegal Entry at Ports of Entry

Our recent work at ports of entry and our ongoing work specifically at land border ports, indicate that BCBP inspectors continue to face challenges that those from their predecessor agencies also faced in balancing the need to identify violators of immigration and other laws while facilitating the movement of lawful travelers. Today, I will touch on several issues relating to the inspection of entry documents, inspector training, intelligence information needs of the field, and BCBP plans for implementing the U.S. Visitor and Immigrant Status Indication Technology system, known as the U.S. VISIT system.

Determining Traveler Admissibility

At land border ports of entry, inspectors must quickly make decisions about whether to admit a traveler into the United States or refer travelers for more intensive inspection if admissibility cannot be readily determined. Two of the factors that challenge inspectors' ability to verify the travelers' identity and admissibility are that (1) some travelers may enter the United States without having to present a travel document and (2) travelers can present a variety of documents to gain entry into the United States, some of which can be easily counterfeited.

First, some travelers do not need to present proof of citizenship at the border. U.S. and certain Canadian citizens are exempt from having to present any document upon entry. Instead, they can make an oral claim of citizenship, if this satisfies the inspector. According to immigration data, inspectors at land border ports intercepted nearly 15,000 people in 2002 who falsely claimed to be U.S. citizens in order to gain illegal entry, suggesting an unknown number of travelers successfully entered the United States this way.

Second, a variety of documents are accepted at ports, and many can be counterfeited or used fraudulently with apparent ease. With nearly 200 countries issuing unique passports, official stamps, seals, and visas, the potential for document fraud is great. A wide variety of documents can be presented for inspection—including more than 8,000 state and local offices issue birth certificates, driver's licenses, and other documents, any of which could potentially be counterfeited. According to immigration data, inspectors at land ports intercepted nearly 60,000 fraudulent documents in fiscal year 2002, including over 10,000 U.S. citizenship-related documents. Clearly, others have successfully gained access to this country using counterfeit documents. Earlier this year, we testified on how our investigators entered the country from Canada, Mexico, and Jamaica through land, air, and sea ports of entry using fictitious names, and counterfeit driver's licenses and birth certificates made using readily available software.¹² INS and Customs Service inspectors never questioned the authenticity of the counterfeit documents, and our investigators encountered no difficulty in entering the country using them.

Unifying and Enhancing Inspector Training

BCBP will also face an array of challenges in ensuring that its border inspectors are adequately trained, including ensuring appropriate training is provided in the detection of fraudulent documents. For example, former INS and Customs inspectors are still being trained at separate basic training academies using two different curricula. If border inspectors are to wear "one face" at the border, a unified curriculum and training approach will need to be developed and implemented. These training challenges will continue beyond the academy—BCBP will also need to ensure that a field training program is established that meets the needs of the newest as well as experienced inspectors at the ports. For example, neither the former INS nor Customs agencies had a standard on-the-job training program for their inspectors working at land border ports. The prior work I mentioned in which our investigators used counterfeit documents to enter the United States, as well as our ongoing work at 15 land border ports, suggest that one training challenge for BCBP will be to ensure that both new and experienced border inspectors are capable of readily detecting fraudulent documents.

Meeting Field Intelligence Needs

¹²U.S. General Accounting Office, *Weaknesses in Screening Entrants into the United States*, GAO-03-438T (Washington D.C.: Jan. 30, 2003) and *Counterfeit Documents Used to Enter the United States from Certain Western Hemisphere Countries Not Detected*, GAO-03-713T (Washington D.C.: May 13, 2003).

Our ongoing work at land border ports suggests that the Bureau will also face challenges regarding the collection, analysis, and use of intelligence information in the field. The former INS recognized the need for more intelligence support in the field. In 1997, an INS-contracted study reported the lack of an intelligence capability at all INS locations, including districts and ports.¹³ More recent studies suggest needs in this area persist. Although some steps have been taken to bring the intelligence function to the field level, additional steps remain if the intelligence needs of the field are to be met. These challenges include, but are not limited to, decisions related to staffing and training, as well as merging intelligence positions from the former Customs and INS.

Implementing the New U.S. VISIT System

One of the most significant challenges facing DHS at ports of entry is the implementation of the U.S. VISIT system. This significant undertaking is intended to capture both entry and exit data on travelers. It will also have many implications for operations at U.S. ports of entry, including expenditures, staffing, inspection procedures, and infrastructure. We reviewed INS's fiscal year 2002 expenditure plan and associated system acquisition documentation and system plans. We reported that INS's preliminary plans showed that it intended to acquire and deploy a system that will satisfy the general scope of capabilities required under various laws. However, we found that the initial plan did not provide sufficient information about INS commitments for the system, such as what specific system capabilities and benefits will be delivered, by when, and at what cost. We concluded that this lack of detail is a material limitation in the first plan that will become even more problematic in the future as the magnitude and complexity of the system acquisition increases, as will the importance of creating plans with the appropriate level and scope of information.¹⁴ Responsibility for implementing U.S. VISIT now resides in the Border and Transportation Security directorate. We are currently reviewing the fiscal year 2003 expenditure plan and will ascertain whether these problems were addressed.

Challenges Related to Implementing and Transforming DHS

We designated implementation and transformation of the new Department of Homeland Security as high risk based on three factors. First, the implementation and transformation of DHS is an enormous undertaking that will take time to achieve in an effective and efficient manner. Second, components to be merged into DHS—including those that now form BCBP—already face a wide array of existing challenges, some of which we have described in this statement. Finally, failure to effectively carry out its mission would expose the nation to potentially very serious consequences.

In the aftermath of September 11, invigorating the nation's homeland security missions has become one of the federal government's most significant challenges. DHS, with an anticipated budget of almost \$40 billion and an estimated 170,000 employees, will be the third largest government agency; not since the creation of the Department of Defense (DOD) more than 50 years ago has the government sought an integration and transformation of this magnitude. In DOD's case, the effective transformation took many years to achieve, and even today, the department continues to face enduring management challenges and high-risk areas that are, in part, legacies of its unfinished integration.

Effectively implementing and transforming DHS may be an even more daunting challenge. DOD was formed almost entirely from agencies whose principal mission was national defense. DHS will combine 22 agencies specializing in various disciplines: law enforcement, border security, biological research, disaster mitigation, and computer security, for instance. Further, DHS will oversee a number of non-homeland-security activities, such as the Coast Guard's marine safety responsibilities and the Federal Emergency Management Agency's (FEMA) natural disaster response functions. Yet, only through the effective integration and collaboration of these entities will the nation achieve the synergy that can help provide better security against terrorism. The magnitude of the responsibilities, combined with the challenge and complexity of the transformation, underscores the perseverance and dedication that will be required of all DHS's leaders, employees, and stakeholders to achieve success.

¹³INS *Intelligence Program Strategic Plan, September 30, 1997* (submitted by LB&M Associates, Inc.).

¹⁴U.S. General Accounting Office, *Information Technology: Homeland Security Needs to Improve Entry Exit system Expenditure Planning*, GAO-03-563 (Washington D.C.: Jun. 2003).

Further, it is well recognized that mergers of this magnitude in the public and private sector carry significant risks, including lost productivity and inefficiencies. Generally, successful transformations of large organizations, even those undertaking less strenuous reorganizations and with less pressure for immediate results, can take from 5 to 7 years to achieve. Necessary management capacity and oversight mechanisms must be established. Moreover, critical aspects of DHS's success will depend on well-functioning relationships with third parties that will take time to establish and maintain, including those with state and local governments, the private sector, and other federal agencies with homeland security responsibilities, such as the Department of State, the Federal Bureau of Investigation, the Central Intelligence Agency, DOD, and the Department of Health and Human Services. Creating and maintaining a structure that can leverage partners and stakeholders will be necessary to effectively implement the national homeland security strategy.

The new department is also being formed from components with a wide array of existing major management challenges and program risks. For instance, one DHS directorate's responsibility includes the protection of critical information systems that we already consider a high risk. In fact, many of the major components merging into the new department, including the Transportation Security Administration (TSA), FEMA and the U.S. Coast Guard, face at least one major problem, such as strategic human capital risks, critical information technology challenges, or financial management vulnerabilities; they also confront an array of challenges and risks to program operations. For example, TSA has had considerable challenges in meeting deadlines for screening baggage, and the agency has focused most of its initial security efforts on aviation security, with less attention to other modes of transportation. The Coast Guard faces the challenges inherent in a massive fleet modernization.

DHS's national security mission is of such importance that the failure to address its management challenges and programs risks could have serious consequences on our intergovernmental system, our citizens' health and safety, and our economy. Overall, our designation of the implementation and transformation of DHS as a high-risk area stems from the importance of its mission and the nation's reliance on the department's effectiveness in meeting its challenges for protecting the country against terrorism.

Mr. Chairman, this concludes my prepared statement. I would be pleased to answer any questions that you or other Members of the Subcommittee may have.

APPENDIX: CONTACTS AND ACKNOWLEDGMENTS

For further information regarding this testimony, please contact Richard M. Stana at (202) 512-8777. Individuals making key contributions to this testimony included Seto J. Bagdoyan, Michael P. Dino, Darryl W. Dutton, Barbara Guffy, E. Anne Laffoon, and Lori Weiss.

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Mr. CAMP. Thank you. Thank you very much for your testimony. I would recognize the gentlelady from California.

Ms. SANCHEZ. Thank you. Thank you, Mr. Chairman, and thank you, Mr. Stana, for being here today. I have a variety of questions to ask you about.

I am interested in the report that you did on the southwest border strategy in August of 2001, when you talked to the Border Patrol and it estimated that 11,700 agent need that my colleagues from New Jersey cited. Actually, your report says 11,700 to 14,000 additional support personnel and hundreds of millions of dollars in additional technology.

Can you talk to us at this point about where you see the shortfall as far as personnel happening, what you think is being left behind or not done or falling through the cracks, because we don't have the right number of personnel there yet.

I also want to know if you are doing anything with respect to the Customs agents and how many personnel are needed with respect to that. And so that would be my first series of questions, the number of personnel.

Then I would like you to elaborate a little on something that you said about the lack of training or the discussion that you had with the people, that they felt that they weren't—that they didn't have the training in order to do their job correctly, and how that—they feel that manifest itself. What is it that is not being done, or the confidence level of them being able to do their job? And then I also wanted to ask you what type of a report you are doing on the U.S. VISIT program and what you have found so far, if anything.

Mr. STANA. Okay. Let me take these in the order that you posed them.

The southwest border strategy emerged in the mid-90s when it was recognized that the Nation had, in effect, lost control of its immigration policy. The strategy began to unfold in two cities, San Diego and El Paso, attempting to secure those cities which were major transit points for economic migrants looking for work in the United States. And so they started there, posting more Border Patrol and INS inspections personnel around those areas.

Next, INS moved along the border from those points to secure more and more portions of the border and attempt to divert the flow of illegal aliens from those popular transit points to other more remote locations where aliens might think it was too remote, too desolate, too dangerous, or otherwise too difficult to cross at those points so they wouldn't try. So it was a matter of detecting and deterring illegal immigration.

Before merging into DHS, the Border Patrol and INS had gotten into about the latter portion of Phase 2 in a four-phase process. So they had much more land to gain control over. Mr. Shadegg mentioned that the Arizona border is one of the last areas to get the increased staffing and that there is a considerable flow still going through that area. INS estimated that 11 to 14,000 agents were needed to control the southern border. We did not take issue with the estimate. But we note that in trying to achieve that number, there are challenges, not the least of which is the turnover in agents. INS hired so many, but others leave. Often they leave for

higher pay or they leave because it is a tough job being done in a desolate location. So that is really the problem with personnel.

Now, with respect to the northern border, which was also of interest to Mr. Pascrell, Ms. Slaughter and Mr. Sweeney, trying to beef up the northern border is also a challenge. It is a longer border with more remote locations, but at the same time it does not have the same alien flow and, therefore, the need for the 11 to 14,000 agents that you have on the southwest border, but security is a challenge nevertheless.

With respect to the lack of training, this was talked about primarily by inspectors from both legacy INS and legacy Customs at the land border ports of entry. They were concerned for a number of reasons. Mr. Turner mentioned that our investigators entered with faulty documents and that they weren't detected, and this is a major challenge. The inspectors told us that they definitely need more training on how to detect false documents. It is a major challenge, a major challenge.

Also they need other training on how to gather and analyze intelligence. They need training on how to use the latest equipment, how to query computerized watch lists. Training is needed across the board. When inspectors get out of the academy, they are trained in a generic sense to do the job, but they need more on-the-job training, and that training simply isn't being provided in the amount that is needed.

With respect to U.S. VISIT, we are just beginning to look at the expenditure plan that was given to us about 10 days ago. I think you asked the commissioner about that. We received it about 10 days ago with a 45-day suspense to review the expenditure plan to see if this meets the criteria that Congress set for an acceptable plan to release funds. We are very early in that process.

Given the deadlines for U.S. Visit that we have talked about today—going to the land and seaports by the end of this year, to the 50 largest land ports next year and then the remaining land ports after that—it is a very ambitious undertaking to meet those deadlines.

Will something be fielded by the end of this year? Probably. Is it what they expect to be fielded by the end of this year? It is going to be a challenge.

Ms. SANCHEZ. I would be interested in that report. Mr. Stana, and in particular with respect to the whole issue of funding as we continue to cut back and the monies haven't been spent. But we will follow up with that.

Mr. STANA. We expect a briefing to be given to the appropriators, like I say, in about 45 days or so, followed up eventually by a full report.

Ms. SANCHEZ. Thank you. Thank you for being here.

Mr. CAMP. Thank you. The gentleman from California, the chairman of the full committee may inquire.

Chairman COX. Thank you, Mr. Chairman. I appreciate your report to the subcommittee and the full committee, and I want to ask you a bit about your conclusions concerning the hiring of border agents.

You cited the GAO's report covering 7 years in arrears and looking 5 years forward. Do you still think, based on 9/11 on, which

was the point that you mentioned in your report to the committee, that that changes the estimates? Do you think that we are still 5 years off from where we need to be?

Mr. STANA. I can speculate on that, and that is that 9/11 probably increased the need for staff rather than decreased it.

Will it take 5 years? I think it may take more than 5 years simply because legacy INS was as behind schedule in hiring new agents before 9/11. And given the additional need for security and inspectional personnel and given the challenges that accrue from merging the two agencies, it wouldn't surprise me if they didn't meet that deadline.

Chairman COX. And at some point, doesn't this become just a Sisyphean? Are we just looking or attempting to look over the edge of an endlessly receding horizon? Is it fair to say at this point, since 7 plus 5 is already 12 years, and you are thinking maybe it is longer than that, that this is just never going to happen.

Mr. STANA. Well, I don't know what resources that BCBP and BICE will be given in the future. I think a lot is contingent on that.

But there are so many factors that enter into how many staff are needed. We talked about the fielding of UAVs. We talked about sensors and cameras, and there are problems with the cameras and sensors that are already fielded. I wish I could say that all problem areas were going to be fixed.

Certainly, at the ports of entry, the fact that staff can't take time away to do training if it were available suggests that there aren't sufficient staff there to do the job now. Although I understand that that is improving. I am not hopeless that BCBP will reach a reasonable level of staffing. At the same time, it has been a long haul, and I don't think it is going to be fixed next year.

Chairman COX. You are a patient man.

Let me ask you just briefly about the container security initiative, since your report contains very useful information on that topic.

You properly observed that information is key to making this work, and you mentioned that perhaps as important as anything, we have among many inspectors a developed sixth sense. Can we rely on our current apparatus indefinitely into the future or is it just going to be too episodic in nature? Are we going to have to routinize a little bit better the way we go after this problem?

Mr. STANA. We have work under way in two areas that would answer your question. Unfortunately, I don't have the results available right now. One area deals with the CSI program and the C-TPAT program. The other deals with the sufficiency of the technology itself, the gamma and x-ray machines and so on.

But I will say this: Customs has tried over the years to find ways to segregate high risk from low risk; for example they did it with line release. You may be familiar with that program; it was piloted, I believe, in California. They tried it with other cargo identification initiatives; and time and again it all came back to information, and it often came back to faulty information on manifests and from the intelligence sources.

I think one of the key areas to addressing this is somehow getting more reliable, actionable intelligence and reliable manifests so that you can separate the wheat from the chaff and focus on just

the higher-risk cargos. I know that sounds awfully simplistic, but that really is the key.

Customs has worked on it one way or another and has had some successes. In some instances, shippers themselves have brought to the attention of Customs things that looked funny to them because they didn't want to get in trouble by having shipped these faulty manifested cargos.

Aside from the technology issues and aside from the personnel issues—which are significant—I think that the information intelligence is something I would want to act on soon.

Chairman COX. Did you have a chance in your analysis to look at how in the Information Analysis Directorate this is maturing and whether or not Commissioner Bonner is getting what he needs.

Mr. STANA. In fact, we have work under way for Energy and Commerce right now along those lines: how container cargos are targeted, what algorithms are used in their computerized programs, what actionable intelligence is used. That report should be out later this year.

Chairman COX. Are those algorithms being developed in Commissioner Bonner's area or in Mr. Redmond's area?

Mr. STANA. I think mostly, it is in Mr. Bonner's area.

In fact, I think he mentioned it in his testimony. It has to do with the National Targeting Center which is under him.

Chairman COX. Mr. Chairman, I appreciate the generosity of the time.

Mr. CAMP. Thank you.

The gentleman from New Jersey may inquire.

Mr. PASCRELL. Mr. Stana, thank you for being here today—and to the Chair.

We know what the mission of GAO is or your examining the mission of Commissioner Bonner's department, and I find that to be very interesting. I read quickly through your report.

We know that this is going to be difficult because this department is the third largest—Homeland Security, the whole department is the third largest agency in the Federal Government, so it is not going to be an easy task and it hasn't been in existence.

But I must say, in your report—and I respond to this report. There was a report provided to the Congress in August of 2001; that report from the GAO was very specific about Border Patrol. In fact, the recommendations of that report talk about close to 14,000 agents being necessary to do the job.

I want you to respond to the fact that we don't expect that we—we will have to wait until 2006 in order to see appreciable response to the shortages that exist.

Now, how can we—and you look, your job is to look at the efficiencies of the agency, whether it can do the job, whether it is structurally able to do the job. I mean, we—you have leeway, if there is structure in place that you have confidence in, it is going to take time to get the objective. If the structure is something dubious, then we perhaps will never get to the objective.

Along our northern border there is only 567 agents. Now, we have heard some questions here about the northern border. How are 567 agents within this structure that are you now looking at, over which we have oversight, going to do that job? You tell me.

Mr. STANA. It would be very difficult for 567 agents to cover the 4,000 miles of open territory using just the agents—.

Mr. PASCRELL. Well, we knew this back in August of 2001. How many agents exist right now?

Mr. STANA. How many agents are on the northern border right now?

Mr. PASCRELL. On the northern border.

Mr. STANA. I think the number you cited was accurate as of earlier last week.

Mr. PASCRELL. Not very much different than what was there in August of 2001, before 9/11?

Mr. STANA. No. Before August 11, 2001, I believe there was a lesser number than that.

Mr. PASCRELL. There was a few lesser number and we need how many on the northern border alone?

Mr. STANA. The commissioner a few minutes ago said he thought they needed 1,000. I don't know if that is the correct number. We haven't done an analysis of that.

Mr. PASCRELL. So we are talking about almost a doubling of that number.

Mr. STANA. About a doubling of the current staffing.

Mr. PASCRELL. And when is that going to happen? What is the schedule of progress to get to that point?

Mr. STANA. I know that when additional resources become available, they are splitting them between the northern border and the southern border. It could take a while.

Mr. PASCRELL. I think this is the more important question, Mr. Stana: Is the structure there? Is the structure there and is the infrastructure there within the Department to get this done?

Mr. STANA. I think it really matters how many resources the Department is given. They can't hire all 14,000 because they don't have the funds or the appropriation to have all 14,000. Even if they were given the appropriation to hire all 14,000, there is a question of how quickly BCCP could fully absorb that kind of increase.

Mr. PASCRELL. And that has to do with the very structure that you are examining. Mr. Stana. It has to do with how well can you train them, can you get the proper supervision so that they do their jobs well, can you equip them. It is not unlike if you had that kind of an increase in the Armed Forces. You have to equip, you have to train, you have to field and you have to have a support trail.

Mr. PASCRELL. Any time there is a merger of this many departments in one, you know that there is going to be a loss of productivity, and that is something you look at. Your history is very specific about looking at merging and then what happens, too—you know, if the new structure, if pro forma can handle, you know, the problems that— whatever the new department has to face.

Mr. STANA. Right.

Mr. PASCRELL. Are we losing productivity as we try to get to these objectives that we have?

Mr. STANA. Well, let me put it two ways. First, the GAO has put the transformation of the Department of Homeland Security on a high-risk list, and that means it bears watching by Congress and others.

Mr. PASCRELL. You bring up the word “high-risk,” and I am sorry for interrupting, but my time is contracted here.

You bring up “high-risk.” How can we spend one dime in any of these areas without risk assessments? In fact, isn’t that the major point of your report, Mr. Stana, that there haven’t been adequate risk assessments made, so we don’t know what to do?

So, you know, the question about these handheld pagers, radiation pagers, which have been a farce, who contracted these things? Who decided that we are going to get those pagers? Was this on an accelerated rate so that somebody had the inside track?

They didn’t work. If they worked, it would be different, but they didn’t work. Who decides that?

Mr. STANA. That was done by legacy Customs, and within legacy Customs I am not sure who approved the purchase of those pagers. They go for about \$1,200 each.

Mr. PASCRELL. How many were there?

Mr. STANA. I believe they had about 5,000 of them purchased as of the end of—

Mr. PASCRELL. I don’t have any other questions, Mr. Chairman. Thank you. Thanks for your candidness.

Mr. CAMP. Thank you. The gentleman from New York is recognized.

Mr. SWEENEY. Thank you, Mr. Stana, for your testimony, and as an appropriator, I am looking forward to your briefing as we make decisions in this current calendar.

I read your testimony. I agree with you on the four principal areas that we need to focus our attention on. And as a means of really making the point at how early we are in this process, I want to ask you what is maybe an incredibly subjective question, but I think of note when we consider how earlier in the establishment of this agencies and in the establishment of this new world.

In the calendar we are on, in terms of my calculation, roughly we are in about our sixth month of this experiment, maybe a little bit less. It is not a year and a half since the attacks of September the 11th, because Congress couldn’t act quickly enough for one reason or the other; and I am interested in hearing your evaluation on how far we have progressed, because I think that is the important evaluation that Congress needs to do at this point in time.

We have already created delay. Now we need to figure out how far along the process we are as it relates to intelligence and the establishment of an intelligence system, whether it is for DHS or any of the subsidiaries in—on a scale of 1 to 10, or 1 to 5, make it simple, how far—what did we have prior to this and where are we today?

Mr. STANA. On a scale of 1 to 5, we are probably at about a 3 and about the same level we were when all of this began to be put together. A couple of challenges exist of putting the intelligence units together.

Mr. SWEENEY. Meaning establishment of the—

Mr. STANA. Of the Department of Homeland Security from the legacy organizations.

One is, where do you place the intelligence functions? BCBP operations at the border; but DHS put intelligence functions with the

Interior Enforcement component of the organization. DHS has to make sure the organizational crosswalks solidify.

I think some of the dust is beginning to settle on these relationship questions. I think the initial merger had some of the staff asking questions like, who is going to win out? Is the INS side going to win out? Is the Customs side going to win out? Who is going to be my next boss? Who is going to be forced to leave? How are the boxes on the org chart going to be moved around? Those questions are beginning to be resolved.

And so now you might say, organizationally, the more serious questions are being addressed, like setting up the organizational crosswalks, making sure that the—

Mr. SWEENEY. Is your answer, we have made no progress; or is your answer, we have made what progress?

Mr. STANA. No, I think any time you have these kinds of mergers, whether it is in the public sector or the private sector, some unsettling is to be expected. And that is one reason why we placed this on the high-risk list, that there is some unsettling yet to be addressed.

Mr. SWEENEY. Is there greater capacity?

Mr. STANA. I am sorry.

Mr. SWEENEY. Is there greater capacity today?

Mr. STANA. There is the potential for greater capacity, but we are only in this about 3 months so far. I think we have got to get things lined up.

Mr. SWEENEY. As it relates to staff training, improved, not improved?

Mr. STANA. I think that there are plans to improve it. I think it is going to take more than 3 months to get that taken care of.

Mr. SWEENEY. A more complex endeavor today, correct, than—

Mr. STANA. Well, it can be. I mean, it is a matter of just doing things that make sense, like merging the Border Patrol Academy and merging the Customs Academy with the Immigration Academy, getting a sensible OJT program so that the first agents on the line can be trained to do their job.

You know, we can speculate about the higher-order organizational things, but so much of this turns on the individual at the border, who has 20 seconds to make a yes-or-no decision on letting someone into the country. That person isn't so much concerned about whether the IT purchases are going well in Washington or who is in favor or who is not. What they are worried about is, do I have the training to detect a false document? Do I have the training to do what is needed to stop this, to field the technology, understand the technology?

We talk about the VACIS trucks, and I strongly encourage you, when you go to the Long Beach/LA port, to ride on the truck and take a look at the screen that the inspector looks at and just see what a tough job it is to pick something out as particularly dangerous that could be entirely innocuous.

Mr. SWEENEY. We are on technology: We have improved, or not improved; or we are still a work in progress?

Mr. STANA. I think technology is an important addition, but technology, like anything else, is no panacea.

Mr. SWEENEY. And let me get to the boring part, but I think it is the most important part.

You mentioned it in your opening statement: the establishment of internal controls and policies and procedures. And we really are at the point in time where we are just developing that now, correct?

Mr. STANA. Well, the legacy Customs and the legacy INS had internal controls. All too often they didn't work—they have travelers at ports walking in one door walking out another without required clearances; the inspector is too busy doing inspections to supervise, things like that.

Mr. SWEENEY. Is BCBP preparing—prepared in your—from your work, moving in the correct direction?

Mr. STANA. Well, I think that they have identified many of the problems that were out there and we and others are helping them to do that.

Are all the problems resolved in the last 3 months? No.

Mr. SWEENEY. Very quickly, final question and it relates to all of it—

Mr. CAMP. Well, the gentleman's time has expired.

Mr. SWEENEY. I will submit. Thank you.

Mr. CAMP. Thank you.

The gentleman from Arizona is recognized.

Mr. SHADEGG. Thank you, Mr. Chairman.

Thank you, Mr. Stana, for being here. First of all, I want to express my appreciation for the candor of your description of the southwest border strategy. In some ways, I think you very honestly assessed that it pushed the traffic into the rural areas in Arizona. I want to put into the record some statistics.

See Graph:

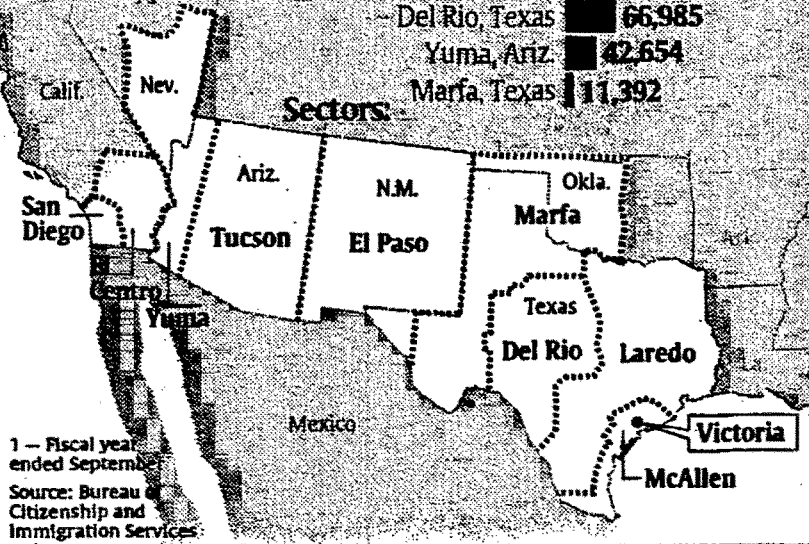
Where immigrants apprehended most

Immigrants apprehended in Border Patrol sectors along the Southwest border totaled 929,809 in 2002¹, 97% of all apprehensions.

Breakdown by sectors:

Tucson	333,648
El Centro, Calif.	108,273
San Diego	100,681
El Paso	94,154
McAllen, Texas	89,927
Laredo, Texas	82,095
Del Rio, Texas	66,985
Yuma, Ariz.	42,654
Marfa, Texas	11,392

Sectors:



By Frank Pompa, USA TODAY

There are nine border sectors along the Southwest border of the United States with Mexico. Of those nine sectors, the Tucson sector has more than three times as many illegal crossings as the next highest sector. It is over 333,000. The next highest is the El Centro, California, sector at only 108,000. So we have, quite frankly, through this strategy, created a crisis on the southern Arizona border with Mexico.

I notice in your report that it says, and I quote, "Officials and residents in one community reported experiencing loss of business, destruction of private property environmental degradation." I hope you know that that is a dramatic understatement and not, in fact, correct.

The entire southeastern border of Arizona, where there is a substantial population in every single one of those communities all the way across that sector of the border they are experiencing a dramatic decline in business. They are experiencing radical property damage. They are experiencing radical environmental damage. That is from Nogales east to the New Mexico border.

From Nogales west to, essentially, Yuma, or at least a little short of Yuma, you have a dramatically less-populated area. There are virtually no towns. There is an Indian reservation and there is Organ Pipe Cactus National Monument, where Agent Khrist Eggle was killed; and in that remote area, although business is not disrupted because there are essentially no businesses, the traffic across the desert is massive. The damage, environmental damage—I was at the park a few months ago to see where Chris Eggle was murdered. The environmental damage—there is trash strewn all the way across the border everywhere, from human feces to water bottles to tarps. You name it, everything possible across that portion of the desert.

And then, of course, the devastation to the Tohono O'odam Indian Reservation is pretty severe. Have you looked at or studied or been asked to study the effect of having started at the outside edges with resources and pushed toward the middle and reached a conclusion as to whether or not trying to drive that policy from those two outside edges in was a success or an abject failure?

Mr. STANA. Well, first let me say that we didn't mean to imply that there was only one community. We used that in the sense that that was one example. There are many communities not only in Arizona, but in Texas, New Mexico and California that have had this, mainly because they weren't expecting it.

As a decision-maker in Washington, you may have well known that that was the strategy, to sort of funnel the traffic in areas where INS thought that could control it with fewer people. Did that happen? Not like they thought it might.

Mr. SHADEGG. Well, they didn't control it. I don't want to interrupt you, but when we were at Organ Pipe, looking at where Chris Eggle was murdered, we talked with the superintendent. He had within that week interviewed an individual who lived—whose home was in eastern Mexico and who worked in the United States in Chicago. And they had apprehended him crossing the border in the Organ Pipe National Monument and said to him, "Well, why do you cross here? This is clear over in western Mexico." And he

said, “Well, here is where you can get across without getting caught.”

Mr. STANA. Yeah. It is an issue, and it is a different issue than the terrorism issue, frankly. Although there may be terrorists interspersed with the alien flows, I don’t know that for sure. But it is an issue of economic migrants, people coming here to work like the individual in your example. And on the way to places where they find employment, this is the impact.

Unfortunately, I think that the border controls can only do so much. Without an effective internal enforcement strategy, the jobs magnet will not be neutralized.

Mr. SHADEGG. I absolutely believe that. I think the jobs magnet is a huge issue. The benefits magnet is a huge issue.

Let me ask you specifically, have you evaluated again the effectiveness of forcing resources into a single area where there is—remote area. That is one question.

Second, you heard the commissioner discuss UAVs, but also ground sensors. I am not a believer in ground sensors. I think they got fooled. They get set off by animals. Have you assessed that?

I am interested in the answer to both those questions.

Mr. STANA. Let me take the second part first.

We are aware of the ground sensor and camera issue and we understand that there are problems with both. So again, I use the word “panacea” —I don’t think they are panaceas with respect to the effectiveness of the strategy. What we attempted to do not only in the August 2001 report, but with other reports was to try to put some light on what is going on there. We recommended, and INS was supposed to do, an extensive evaluation of the southwest border strategy, engaging the best minds in the immigration area. They did not do it.

Mr. SHADEGG. My time has expired, but let me ask one last question if I might, Mr. Chairman.

One of the strategies of the Border Patrol is these checkpoints that are several miles into the United States. Many people in Arizona find those highly offensive and I have grave doubts about whether they work. Has GAO looked at whether or not border checkpoints, either dozens of miles or in some cases as much as 100 miles into the United States, have any effect in deterring illegal immigration?

Mr. STANA. Well, I don’t know how well they detect or deter illegal immigration. My guess is—and we haven’t looked at that specifically—. My guess is, they do find some people. Is that the most effective use of resources? I think that is open to question.

Mr. SHADEGG. I think that is a question we should ask you to look at.

Thank you, Mr. Chairman.

Mr. CAMP. Thank you, Mr. Stana. I am going to ask about the part of your testimony that talks about illegal entry at ports of entry, or points of entry, and the variety of documents that an agent has to see.

And tell me—clearly, there is a fair amount of fraud. First of all, for some folks, they don’t even have to have documentation, but can just say where citizenship is and they are admitted. And there are a number of different kinds of documents that a Customs agent

has to look at; and I think in the report you mention over 8,000 State and local birth certificates and driver's licenses.

Tell me, how do you—just summarize how you think this should be addressed. And how can we make this problem less prevalent?

Mr. STANA. Well, ultimately, I think the goal should be to find some way to positively link an individual to a document. I don't think you can do that with a birth certificate or some other document that doesn't have a biometric that you can check.

Now, the state of biometrics today is such that with the volumes we are talking about, 450 million travelers, I wonder whether biometrics are mature enough to handle that kind of a throughput. But that is ultimately the goal.

The second thing is, it is just so easy to come up with fraudulent documents. In that review that our investigators did, they intentionally did not try to make perfect-looking documents so that when they handed them to an inspector somebody would say, this looks like a dead-on driver's license or this looks like a dead-on traveler's document.

They intentionally left them looking less than perfect—in fact, I had occasion to visit a Secret Service office recently. They made me a Nebraska—I don't think anybody is here from Nebraska—a Nebraska driver's license which, for the rookie who made it, it is okay, it is passable. But, I think I could detect it as a phony document.

But the key is, inspectors at the border ought to know how to detect phony documents. I think if you gave it to a bartender down the street in Washington, D.C., he could tell in a second that this was a phony document. I wonder whether a border inspector could. And so I think getting training in the detection of false documents is key.

They did raise the issue that you are raising about whether it should be the case that U.S. and Canadian citizens should not have to present some sort of a travel document. This is a policy decision which has been reinforced recently, so I am not going to take issue with that. But the challenge that creates is, people who are not U.S. or Canadian citizens come to a port of entry saying they are. And the example that Mr. Turner used and I think Commissioner Bonner mentioned—they sounded like they had New York accents—I don't know if that is good enough.

The border inspectors have the right and actually the responsibility to request some identifying documentation if they suspect something is wrong or if a document does not look right; and they didn't do that in all cases, and when they did, they saw the phony document and they didn't detect it as phony.

Mr. CAMP. Okay. Thank you very much.

The Subcommittee on Infrastructure and Border Security hearing is now concluded.

[Whereupon, at 5:40 p.m., the subcommittee was adjourned.]

APPENDIX

QUESTIONS AND RESPONSES FOR THE RECORD

FOLLOW-UP QUESTIONS FOR THE RECORD FROM CHAIRMAN DAVID CAMP

Question: 1. Does the Bureau of Customs and Border Protection (BCBP) have a comprehensive plan for the Bureau to address vulnerabilities and risks; identify long term staffing needs; identify the complement of radiation detection equipment that should be used at each border point or port of entry; determine whether equipment could be immediately deployed; identify long term radiation detection needs and develop measures to ensure that the equipment is adequately maintained? If so, when will a copy of this plan be available for evaluation by the Subcommittee? (Sanchez)

BCBP Answer:

BCBP developed a Comprehensive Strategy to Address the Threat of Nuclear and Radiological Terrorism in December 2002 and its associated Annex in January 2003. An integral part of this plan is BCBP's goal to screen all trucks, trains, cars, air freight, mail bags and express consignment packages with radiation detection technology prior to release, and to screen air and sea passengers and their luggage along with land border pedestrians with personal radiation detectors. It is envisioned that to achieve this goal BCBP will need to employ radiation portal monitors at ports of entry to screen for the presence of radioactive and nuclear materials.

This Comprehensive Strategy also describes BCBP's integrated multi-layered defense that begins outside the United States where the movement of nuclear and radiological materials is initiated and continues all the way to the U.S. borders. This strategy aims to:

- Prevent potentially dangerous and strategically valuable materials from falling into the hands of terrorists;
- Push our zone of security further away from the physical border; and
- Use risk-based targeting and a wide range of technology.

The Comprehensive Strategy outlines BCBP's plans to train our workforce to ensure that our officers are armed with the knowledge and skills needed to detect and combat nuclear and radiological terrorist threats. The Annex to the Comprehensive Strategy includes detailed estimates for personnel and other associated costs in support of the Strategy including technology, international program support, Container Security Initiative expansion to additional locations, support to Project Shield America and additional training.

The Annex also addresses the types and number of radiation detection equipment needed by location for the first three phases of implementation. It also lists what type of non-intrusive inspection equipment is deployed by location. BCBP has determined that its effectiveness to secure the U.S. border should continue to be measured in both qualitative and quantitative terms.

BCBP will utilize performance-based contracting with identified maintenance performance standards, measures of those standards and incentives for meeting and exceeding the standards. The standards include figures of merit such as calculated Operational Availability and measured Customer Wait Time.

Question: 2. With the splitting of certain functions between DHS and the original Departments and the splits in authority, how can employees, or Congress, be sure of "who's in charge" of a particular issue? What assurances can DHS give that this will not lead to confusion and bureaucratic delay? (Turner)

BTS Answer:

Since the establishment of the DHS and the stand up of the Customs and Border Protection, Immigration and Customs Enforcement, and Citizenship and Immigration Service bureaus, the Department of Treasury has executed a delegation order clearly assigning reserved authorities between the two departments, and DHS and USDA have executed a Memorandum of Understanding describing each others responsibilities for APHIS functions. These documents are the guidance needed to establish accountability at the department level. At the field level, Undersecretary Hutchinson, Commissioner Bonner, and Assistant Secretary Garcia moved quickly to establish a unified command structure and unity of management over ports of entry and field units by naming interim leaders, and then rapidly implementing permanent leaders.

Question: 3. How was the decision made to split the various components of Customs? How are line employees able to determine the split in responsibilities, and the chain of command? (Camp)

BTS Answer:

After the passage of the Homeland Security Act, the impacted agencies immediately began studying what assets and capabilities were within their agencies, and what best scenarios of merger existed. There have been a series of GAO and OMB sponsored reviews of this problem dating back decades. The most tangible benefit to accrue would be unifying port management of processing travelers, cargo and conveyances. This meant combining the three inspection functions, while combining investigative resources that expanded their responsibilities but focused their priorities. Undersecretary Hutchinson, Commissioner Bonner, and Assistant Secretary Garcia moved quickly to establish a unified command structure and unity of management over ports of entry and filed units by naming interim leaders, and then rapidly implementing permanent leaders.

Question: 4. What is the response of BCBP to the critics who claim that regional offices did not work, and that the performance of the Customs Service improved after abolishing regional offices in 1993? (Turner)

BTS Answer:

It is important to note that the plan for the construct and functions of regions is still not fully composed, however the Department's regional design team is aware of these concerns and are giving them full consideration as proposals are being developed. The Department is considering providing a regional structure to DHS in order to provide better connectivity with the various state and local entities, as well as the private sector, that come together to form the national response enhancing homeland security.

Question: 5. The DHS budget proposal for fiscal 2004 calls for the establishment of regional directors in BCBP, with employees reporting to their regions rather than a central headquarters. Trade groups have claimed that decentralization will lead to a lack of uniformity in how the BCBP policies are implemented. Would this proposed plan affect issues relating to uniformity of classification, issuance of rulings or policies relating to importing at particular ports?

BCBP Answer:

Establishment of regions would not impact uniformity of classification, issuance of rulings, or policies relating to importing at particular ports. Rulings interpreting the customs laws and regulations are issued by the BCBP Office of Regulations and Rulings (ORR) which is a BCBP Headquarters element.

The vast majority of rulings are in the area of classification of merchandise (approximately 10,000 per year) and are issued by the National Commodity Specialist Division (NCS) of the ORR. While physically located in New York City, NCS is a part of the Headquarters element of the ORR. The remaining approximately 3,000 rulings per year, which, in part, include complex classification matters, value issues, drawback, entry and carries rulings, value determinations, eligibility for special preference programs and marking matters, are issued by the Washington Headquarters component of the ORR.

The ORR under any regional concept would continue in its role of ensuring the uniformity of the application of the laws and regulations by maintaining the liaison the NCS National Import Specialists have with the field import specialists. On a formal basis the ORR would continue to ensure uniformity by both monitoring issued rulings' correctness and entertaining appeals from the importing community. Appropriate action would be taken under both approaches to modify or revoke inconsistent rulings. The importing community also would be able to use current "internal advice" and "protest" procedures provided under the BCBP regulations to obtain further review of field determinations by the Headquarters ORR.

Question: 6. Has BCBP determined that 2 to 4 percent is the right number that should be inspected? If so, how did BCBP come to that determination? If BCBP has not come to a conclusion on what the right percentage is how does BCBP propose to determine it? How does BCBP weigh the improvement in security against the potential damage to commerce? Who provides BCBP the information, both on the improvement in security, and the costs in terms of lost commerce that would result from an increase in inspections? (Turner)

BCBP Answer:

The Bureau of Customs and Border Protection (BCBP) screens the data and information for all cargo containers arriving in the United States each year; and closely scrutinizes and examines all shipments identified as high risk. The BCBP goal is not to search 2 percent, 10 percent, or even 50 percent of the cargo. BCBP thor-

oroughly screens and ultimately examines 100 percent of the shipments that pose a risk to our country.

BCBP has developed a multi-layered process to target high-risk shipments while simultaneously facilitating legitimate trade and cargo. Examination of sea containers is a part of this process.

A multi-layered approach is:

- Electronic manifest information
- Partnerships
- Automated Targeting System (ATS)
- The human factor
- Non-Intrusive Inspection Technology

Different modalities present different potential risks. When specific intelligence is available we will act upon it and the impact on general commerce is negligible. Without specific intelligence we use all available data to assess the potential risk of the import cargo. Based on this risk, the decision to slow down or expedite specific commerce is made. Through the use of programs such as CTPAT and FAST and other programs that foster cooperative anti-terrorism efforts with our trade partners we are able to minimize the impact on legitimate commerce.

Under the C-TPAT initiative, BCBP is working with importers, carriers, brokers, and other industry sectors to develop a seamless security-conscious environment throughout the entire commercial process. C-TPAT provides a forum in which the business community and BCBP exchange information designed to increase the security of the entire commercial process while continuing to facilitate the flow of legitimate trade and traffic. C-TPAT underscores the importance of employing best business practices and enhanced security measures to eliminate the trade's vulnerability to terrorist actions.

Our goal and outcome is to steadily increase our base container inspection capabilities yearly. We are exploring our resource needs constantly. Obviously as the risk fluctuates so does the impact on our resources, and likewise on our assessments and resource needs. Our major goals require elevating our use of physical and research technology. Physical technology such as more VACIS machines enhances our screening capabilities whereas research technology improves our risk scoring abilities.

Question: 7. Has BCBP examined the requirements of the Maritime Transportation Security Act of 2002? Will BCBP be able to meet its requirements with the current level of funding? (Turner)

BCBP Answer:

BCBP has examined the requirements of the Marine Transportation Security Act of 2002. BCBP has coordinated with the U.S. Coast Guard in their publication of Interim Final Rules published on July 1, 2003. BCBP has a support role in this Act and is coordinating with counterparts in the Department of Homeland Security. BCBP does not anticipate the need for additional funding to meet the requirements of the Marine Transportation Security Act of 2002.

Question: 8. How did BCBP make the decision that all Inspectors must have radiation detection devices? Was it informed by intelligence that terrorists have plans for attacks that could be thwarted by these devices? If so, please describe the threat. Who provided BCBP with that intelligence? What was the role of the Information Analysis/Infrastructure Protection Directorate in making the decision that there was a threat that required this countermeasure? (Turner)

BCBP Answer:

The personal radiation detector (PRD) is a device capable of detecting minute traces of radiation. It serves to warn BCBP officers to take action to mitigate exposure to potentially harmful or dangerous levels of radiation. In 1998, the U.S. Customs Service began deploying PRDs to Customs Inspectors and Canine Enforcement Officers (CEO) nationwide at air, land and sea Ports of Entry. All officers were trained on the procedures for use of the PRDs to include detecting, securing and reporting the illicit importation and exportation of radioactive materials. In addition, all Inspectors at the Basic Inspector Training Program at the U.S. Customs Academy are currently trained on the procedures for use of the PRDs. BCBP plans to make PRDs, which are worn on a belt, a standard piece of equipment for every BCBP Inspector. The PRD is an integral part of BCBP's radiation response protocol. The PRD alerts the Inspector to the presence of radiation, provides the ability to determine the level of radiation present, take the appropriate precautions and establish a safe perimeter area. The PRD alerts Inspectors to an increase in radiation on a scale from one, the lowest level, to nine, which alerts Inspectors to take necessary precautions against a potentially dangerous level of radiation.

The PRDs serve several purposes and play a role as part of the suite of radiation detection equipment. They alert Inspectors to the presence of harmful levels of radiation when they are conducting cargo and vehicle searches. Without a device to inform Inspectors of radiation levels, they would not be able to assure their own safety while conducting a search. In addition, because the PRDs are small enough to be worn on a belt, they free up Inspectors' hands for other tasks. Furthermore, PRDs can detect radioactive material that could be used in a radiological dispersal device and, in limited circumstances, weapons-usable nuclear material—the most difficult material to detect because of its relatively low level of radioactivity. The handheld devices provided to BCBP Inspectors have limited range and capability. For instance, they were not designed to detect weapons-usable radioactive material.

Question: 9. Have the remaining 2,500 inspectors been trained? If not when will they complete the training? Have all the inspectors been trained in using the radiation detection devices they have been given?

BCBP Answer:

Virtually all legacy Customs Inspectors had been trained in the eight-hour Customs Inspection Anti-Terrorism Training (CIATT) course by February 2003. Once Customs became part of the Bureau of Customs and Border Protection (BCBP) on March 1, 2003, the BCBP Office of Training and Development moved quickly to establish a rapid method of providing a comparable level of knowledge to Border Patrol Agents and legacy Immigration and AQI Inspectors on identifying and detecting weapons of mass destruction. The CIATT material was condensed into 90-minute course on an interactive CD-ROM called "Detecting Terrorist Weapons". Every uniformed BCBP Inspector received a copy of the CD-ROM. Legacy Immigration and AQI Inspectors were required to complete the course by mid-May 2003 while Border Patrol Agents were given until the end of June 2003 to complete the training. It remains available to all BCBP officers as a useful reference tool. Moreover, the BCBP Academy received an ample supply for new recruits for the foreseeable future.

Question: 10. Aside from a so-called dirty bomb, which are somewhat easier to detect, what threat will the handheld devices protect us from? What detection procedures exist for other threats, such as highly enriched uranium, biological or chemical weapons? (Turner)

BCBP Answer:

BCBP Inspectors currently use two types of handheld devices to detect radioactive material. These devices are the Personal Radiation Detector (PRD) and the Radiation Isotope Identifier Device (RIID).

While the PRD was not designed specifically as a radiation search tool nor to detect weapons-usable radioactive material, it is a highly sensitive device capable of detecting minute traces of gamma ray radiation that would alert and warn the Inspector to the presence of radioactive material. This functionality allows Inspectors to intelligently react to the presence of radiation (e.g., protect the Inspectors and the general public from shipments emitting dangerous levels of radiation, assist the Inspectors in making informed decisions on the legitimacy of a shipment and source of the radiation, and allow the Inspector to interdict illicit shipments of radioactive materials).

With the use of the RIID, BCBP Inspectors have the capability of detecting weapons-usable radioactive material, as the RIID is a sophisticated electronic device capable of detecting both gamma and neutron radiation. The RIID is used by BCBP Inspectors to determine the type and strength of a radiation source. This allows Inspectors to make an informed determination and take appropriate action. The end result of using the RIID are to protect the Inspectors and the general public from shipments emitting dangerous levels of radiation, assist the Inspectors in making informed decisions on the legitimacy of a shipment and source of the radiation, and allow the Inspector to interdict illicit shipments of radioactive materials.

In addition, BCBP has deployed 6 chemical detector canine teams and plans to deploy 60 additional teams by the end of FY 2004.

BCBP uses several large-scale non-intrusive inspection (NII) systems in our inventory. One such system is the Vehicle and Cargo Inspection System (VACIS) unit, which uses gamma-ray-imaging technology. VACIS technology detects anomalies and provides us with an x-ray type picture of what is inside tankers, commercial trucks, sea and air containers, rail cars and other vehicles including contraband such as drugs, weapons and currency.

BCBP does not rely on one system or one set of procedures to interdict illicit items, such as enriched uranium, and biological or chemical weapons. To accomplish this,

BCBP relies on its layered enforcement. Layered enforcement is made up of many programs and elements, such as advanced electronic information (including APIS and the 24 Hour Rule), several targeting systems (including the Automated Targeting System, OBS3, the National Targeting Center, the Container Security Initiative), intelligence gathering, the experience of its inspectors, and the use of Non-Intrusive Inspection (NII) technology (including radiation detection technology, large-scale x-ray/gamma ray systems, and small-scale technology).

BCBP is working with Johns Hopkins University to identify devices which could be used to assist inspectors in identifying chemical and/or biological weapons.

With regard to reacting to potential biological threats, BCBP has a laboratory system that includes special teams who are qualified in "level A Environment Suits" who use immunoassay test equipment and Polymerase Chain Reaction (similar to DNA testing) test equipment that can detect the presence of biologics connected with Weapons of Mass destruction. These specially trained and equipped teams use high tech equipment such as portable Gas Chromatograph-Mass Spectrometers to detect both explosives and chemical agents used for WMD.

Question: 11. What threats can VACIS detect? How many ports have VACIS? Will every port eventually have this technology? When will you have enough personnel to fully use VACIS? (Turner)

BCBP Answer:

- The Vehicle and Cargo Inspection System (VACIS) is just one of several large-scale non-intrusive inspection (NII) systems in our inventory. VACIS units use gamma-ray-imaging technology to quickly perform thorough examinations of conveyances without having to resort to the costly, time-consuming process of manual searches or intrusive exams by methods such as drilling and dismantling. VACIS technology detects anomalies and provides us with an x-ray type picture of what is inside tankers, commercial trucks, sea and air containers, rail cars and other vehicles for contraband such as drugs, weapons and currency.
- There are currently 99 VACIS units deployed to 68 of our nation's air, land and sea Ports of Entry.
- BCBP proposes to continue deploying multiple large-scale NII systems, including VACIS units, to our large cargo and passenger vehicle processing Ports of Entry.
- NII technologies are viewed as force multipliers that enable us to more quickly screen or examine a larger portion of the stream of commercial traffic while facilitating the flow of legitimate trade and cargo.
- BCBP continues to annually increase the number of inspectional staff dedicated specifically to cargo inspections, including additional personnel in support of our deployed large-scale NII technology.
- The GAO stated in a November 2002 report on Container Security that "Customs has not yet developed an overall plan that coordinates equipment purchases and personnel training". The report stated such a plan should address vulnerabilities and risks; identify the complement of radiation-detection equipment that should be used at each border point or port of entry; determine whether equipment could be immediately deployed; identify long-term radiation-detection needs and develop measures to ensure that the equipment is adequately maintained.

Question: 12. Does BCBP have a comprehensive plan as described by GAO? (Turner)

BCBP Answer:

As noted in question #1, BCBP developed a Comprehensive Strategy to Address the Threat of Nuclear and Radiological Terrorism in December 2002 and it's associated Annex in January 2003.

13. What intelligence informed the decision to expand the program to these particular countries? Who provided the intelligence? What role was played by the Department's IA/IP Directorate? (Turner)

BCBP Answer:

The Phase II selection process considered criteria extending beyond trade volume, which was the primary focus for the selection of the original, twenty "mega-ports." Phase II selection included strategic considerations associated with the potential threat of terrorist actions in the commercial maritime domain. BCBP, Office of Intelligence, folded into the selection process information provided primarily by CIA Intelligence Assessments on terror groups operating at or transiting the proposed CSI Phase II ports. Also considered were locations representing a natural extension of the current CSI presence within a geographic region. Among the factors evaluated were the following:

1. Geographic Significance. This criterion relates to the geographic significance of the ports as origin, transshipment, transit or intermediary hubs serving regions of high-risk origins for WMD or terrorist activity.

2. Trade Volume. This criterion relates to the significance of the location as providing active vessel traffic and commercial trade with the United States or within contiguous reach of the US.

3. Terrorism Connections. This criterion relates to the presence of terrorist groups with the ability to plan or execute a course of action against the United States from this location. This may include support bases for funding, political sympathy, or historical action.

4. Feasibility for CSI Program. This criterion relates to the likelihood of a location providing receptivity and security for CSI deployments. As an example, Yemen proves to be significant as a strategic location, but the likelihood of a deployment of BCBP personnel to this region on the basis of personal security is remote.

5. Current Geographic Presence. This criterion relates to the desirability of extending CSI port presence in geo-political regions under existing Declaration of Principle agreements.

Selection was also based on achieving a degree of efficiency in deployment locations that cast a net around high-risk origins for materials or technology sources that could be utilized for WMD and terrorist actions. Consequently, transshipment risk and carrier services were considered in identifying the likely hubs or exit points for high-risk origins.

Question 14. What communications have been had with the World Bank regarding funding for the equipment? Do you expect the World Bank to provide funding? What other sources might fund such equipment? Since the equipment contributes to U.S. national security, has the Department of Homeland Security considered purchasing the equipment or contributing to such purchase? (Turner)

BCBP Answer:

It is not known at this time whether the World Bank will fund equipment in the future, as any requests for assistance from the World Bank would be initiated by the individual country. BCBP is planning to detail an officer to the World Bank for a period of six months beginning in August to establish a partnership to work on border and port security issues. This officer will participate as part of a core team that the World Bank is establishing to address trade logistics and facilitation and the security needs of their client countries. Through this partnership, we hope that CSI and other DHS/BCBP initiatives will be complemented by the efforts of the World Bank to improve border and port security in countries.

Question: 15. How many containers go through a port such as Dubai? Can five inspectors cover containers in a port of that size? (Turner)

BCBP Answer:

Approximately 424,000 containers move through the Port of Dubai annually, about 350 of which are shipped to the U.S. A CSI team of one senior special agent, a research analyst and two or three inspectors can carry out the mission.

16. Is BCBP backfilling the positions of the inspectors being sent abroad? If not, is CSI creating a shortage of inspectors in domestic ports? (Turner)

BCBP Answer:

Currently, the inspectors who are being assigned to CSI ports are on temporary duty for a period of only 120 days so their positions are not being backfilled. However, once the CSI positions are permanent, and we are in the process of making them permanent in selected ports, we will backfill where necessary.

Question: 17. Can you provide the number of ports that are fully operational under the Container Security Initiative to date? (Please define what is considered "operational.") What is the schedule for being fully operational at all Phase I ports? (Sanchez)

BCBP Answer:

As of August 4, 13 of the Phase I ports plus three ports in Canada are operational. Operational is defined as a CSI team deployed to the port targeting containers and establishing investigative and other information sharing activities with our host partners. The schedule depends upon the ability of the host country to meet the minimum requirements for a CSI port. Nevertheless, all of the Phase I ports should be operational by June 2004 and most of them sooner.

18. How many Custom officials will ultimately be installed at each Phase I port? How was this number determined? What is the cost of stationing one Customs official at each of these ports? What elements determine this cost? (Sanchez)

BCBP Answer:

The typical CSI Team consists of a senior special agent from the Bureau of Immigration and Customs Enforcement (BICE), an intelligence analyst, also from BICE and, generally, three inspectors. The number of inspectors, however, is adjusted based on the volume of containers moving through the port to the U.S. Currently the fewest number of inspectors is two (Gothenburg, Sweden) and the highest number is eight (Hong Kong). Additionally, team structure may be modified in countries where there are multiple ports. Each BCBP employee stationed overseas on permanent duty status costs, on average, \$281,602.

The cost includes the following elements:

- Salaries—includes full time permanent pay, and normal benefits—priced on average at \$97,982. Teams are made up of a mix of mid-senior level officials including GS-12/13 level inspectors, GS-13 level Intelligence Research Specialists and an agent team leader at GS-13/14 level.
- Relocation cost—\$50,000 was assumed for a one way relocation from the States to the foreign port.
- Foreign Allowances—this was priced at \$52,503 per employee on average and includes dependents educational allowances, post allowances/differentials, cost of living allowances, danger pay (in selected posts) and special language incentive award pay (for retaining language proficiency).
- ICASS—cost to State Department to pay for services furnished including space/janitorial, ADP and other administrative office services through the American Embassy. This was priced at \$30,000 per employee.
- Travel—this was priced at \$9,270 per employee per year and included both field CSI and post assignment travel.
- Transportation of Goods—very minor (less than \$1,000 per person)
- Phone/Utility usage—for usage of phones, copiers and faxes not covered by an ICASS arrangement.
- Other contract services—priced on average at \$30,900. It includes rentals of household and office space (when not furnished by the embassy) services for translators, equipment maintenance and other special needs.
- Supplies—minor per person office supply needs based on historic position models.
- Equipment and Representation/POI funds—here we used the recurring rather than full start up cost for phased replacements on office computer and phone equipment and furniture. Purchase of Information/Evidence costs of a minor nature to cultivate leads relative to enforcement mission are also included.

Question: 19. What is the role of a U.S. Customs agent in a foreign port once a container is determined as “high risk” (Sanchez)

BCBP Answer:

The CSI team is multi-disciplined and is comprised of a senior special agent from the Bureau of Immigration and Customs Enforcement (BICE), an intelligence analyst, also from BICE and, generally, three inspectors. The agent develops sources; liaises with foreign law enforcement and with the intelligence community along with the analyst; conducts investigations; detects internal conspiracies; and, coordinates the whole team with the Attaché, Embassy and foreign customs authorities. When a container is selected for inspection based on risk, the U.S. inspector observes the host country's inspection of the container. In the event contraband is found or some enforcement action is warranted, the U.S. agent will determine what additional action is appropriate and work with the host country officials to ensure that evidence is protected and a proper case is developed for foreign and/or domestic prosecution.

20. Are all “high risk” containers leaving the operation Phase I ports equipped with “tamper evident” technology? What technology is being used? How much does this technology cost per container? Is this cost included in the FY 04 Budget request for the CSI program? (Sanchez)

BCBP Answer:

All high-risk containers that have been inspected are sealed with tamper evident labels and high security bolts at a cost of approximately \$11 per container. This cost is included in the FY 04 budget request.

Question: 21. Since CSI's inception have BCBP officials identified any containers that had been tampered with by terrorist actors? (Sanchez)

BCBP Answer:

No

Question: 22. The CSI proposal has focused primarily on the largest seaports. Does this place smaller seaports at an economic disadvantage? Does this open the U.S. to possible attack from goods that are shipped from ports that are non-CSI? (Camp)

BCBP Answer:

No and no. It is important to note that 100 percent of containers arriving in the U.S. are screened for WMD by our Automated Targeting System. Phase I is comprised of the 20 foreign ports that ship 70 percent of all maritime containers to the U.S. With implementation of Phase II that percentage will rise to 80 percent of the containers being screened at the foreign port of lading. Containers are screened only for WMD in CSI ports and are subject to inspection in the U.S. for other purposes including narcotics and other contraband at the same rate as non-CSI ports. We do not believe a CSI port enjoys a trade advantage over a non-CSI port. Regarding possible attack from containers shipped from non-CSI ports, if the risk of a container is deemed too high to allow on a ship without inspection, BCBP can issue a "no load" order so the container does not arrive in U.S. waters.

Question: 23. The Trade Act of 2002 required Customs to issue rules under which information on all-cross border cargo would be provided to Customs electronically before cargo enters or leaves the United States. A draft rule was anticipated in early June so that there could be a 90-day comment period prior to the deadline for the final rule on October 1, 2003. When will the rule be drafted?

BCBP Answer:

BCBP's proposed rule implementing section 343 of the Trade Act of 2002 was put on display at the Federal Register on July 17, 2003, and published on July 23, 2003. Prior to issuance of the proposed rule, BCBP held open public meetings with the trade community for each mode of transportation (air, truck, rail and sea), and took into careful consideration the many comments received from the trade after the meetings as well as recommendations from subgroups of the Treasury Advisory Committee on Commercial Operations of the U.S. Customs Service (COAC). In many cases in the proposed rule, BCBP adopted recommendations from the trade. Due to the extended pre-proposal interaction with the trade and transportation community, BCBP is only able to provide the public with a 30-day comment period from the date of publication of the proposal in the Federal Register.

Question: 24. How does BCBP make the decision on such a draft rule? Who advises BCBP on the need for the information as well as the economic impact?

BCBP Answer:

As indicated in the previous answer, BCBP made its decision on the proposed rule based on much input received from the trade and transportation communities. For example, the COAC created subgroups for each mode of transportation (air, truck, rail and sea) to provide comments and recommendations on how to implement the Act. Several meetings were held to discuss issues pertinent to each mode, and BCBP employees were invited to attend some of these meetings in order to furnish constructive input and comments. COAC provided its comments at the April COAC meeting, which were very thoughtful and contributed substantially to shaping the proposed rule.

The determination of what information BCBP needs is driven by the Automated Targeting System which is connected to law enforcement and trade databases. The Automated Targeting System allows BCBP to identify shipments that may be associated with terrorism, narcotics smuggling or other criminal offenses. This system has enabled BCBP to make numerous security and law enforcement related seizures.

The Trade Act required that, in developing the rules, BCBP balance the impact on the flow of commerce against the impact on cargo safety and security. To this end, BCBP took into account comments it received from the trade and transportation communities. In seeking to minimize the economic impact, BCBP, considering the extent to which the necessary technology is available, proposed to utilize existing technology and procedures to minimize costs to BCBP and the trade. Also to minimize economic impact, BCBP has incorporated a phased-in compliance strategy allowing a transition period after the publication of the final rule.

It is also noted that BCBP hired a private consultant to perform an economic analysis.

Question: 25. Is it the position of BCBP that inspection of empties be a part of any security plan submitted by a terminal operator? Additionally, has BCBP taken any steps to encourage terminal operators to adopt these practices now for the safety and security of the American people? (Turner)

BCBP Answer:

The BCBP position is that the inspection of empties should be included in the security plan submitted by a terminal operator. The Customs Trade Partnership Against

Terrorism (C-TPAT) requires as a condition of participation that carriers visually inspect all empty containers, to include the interior of the container, at the foreign port of lading.

Question: 26. Is TTIC the primary source of intelligence for BCBP? What products does BCBP receive from TTIC? How frequently are these products provided?

BCBP Answer:

BCBP's Office of Intelligence is the primary source of terrorist threat information for the Bureau of Customs and Border Protection. However, BCBP does receive terrorist reporting from additional members from the Intelligence Community (e.g. NSA, DIA, USCG, ONI) as well as information directly from the FBI. TTIC products are disseminated daily and range from tactical intelligence (specific threat) or assessments. These products are retrieved from the Intelligence Community's Counter-terrorism "CT-Link" classified system (soon to be renamed TTIC-On Line).

Question: 27. Does BCBP receive information directly from the intelligence and law enforcement agencies? If so, what agencies? What types of information? Does this information go to the inspectors on the front lines at the borders and ports of entry? How is the information distributed?

BCBP Answer:

Daily, the BCBP, Office of Intelligence receives reporting from members of the Intelligence Community: CIA, NSA, DIA, DOD, USCG, ONI, NIMA, State, and the FBI to name a few. The information is varied and ranges from tactical specific threats to the movement of terrorists, WMD threats, terrorist organizational assessments and topic specific reporting (i.e., MANPADS.)

BCBP, Office of Intelligence, identifies information that is of value to its border protection inspectional and targeting missions. Due to the high classification of some of this intelligence, BCBP liaisons closely with the originator and requests sanitization and declassification of information. This information is placed into the Treasury Enforcement Communication System (TECS) connected to BCBP facilities in the USA in the form of Intelligence Alerts and widely disseminated to all appropriate BCBP field offices.

Question: 28. What intelligence does BCBP receive on a daily basis from the Information Analysis Infrastructure Protection Directorate? What types of products? Does IA/IP provide any tailored products specifically for BCBP? Who is BCBP's primary contact at IA/IP?

BCBP Answer:

The Information Analysis and Infrastructure Protection (IAIP) division provides support to the BCBP Office of Intelligence by engaging the Intelligence Community in support of BCBP intelligence requirements. Frequently products of a strategic nature are routed to the BCBP Office of Intelligence that are of interest to senior managers. In addition, the Office of Intelligence works collaboratively with IAIP on joint products and presentations that support DHS missions. IAIP is continuing to develop and expand its capabilities. We are working with IAIP to support them and currently we have one (1) Intelligence Analyst stationed at IAIP to support their efforts.

Question: 29. What efforts are being made to adapt the models for counter terrorism? Or are they comparable to counter narcotics? What is being done so that BCBP has better information to target shipments? What is the source of the information? What is the role of the Department's IA/IP Directorate?

BCBP Answer:

BCBP, Office of Intelligence has as its primary customer the targeting and interdiction officers stationed at the 301 ports of entry around the U.S. along with Border Patrol agents between the Ports of Entry. BCBP Intelligence is oriented at providing a wide range of tactical and operational products that support targeting initiatives by identifying trends and patterns in terrorist movement and the potential use/transportation of terrorist weapons. BCBP Intelligence works closely with all of the targeting elements in BCBP to identify possible targets of interest and detect ongoing terrorist operations. Briefings are provided constantly along with targeted products that seek to provide the most up to date information to BCBP field elements on major trends and items of interest. BCBP Intelligence is very focused on liaison with the Intelligence Community and outreach to our international partners such as Australia, New Zealand, Canada and the UK. BCBP Intelligence is also developing a suite of its own tools to support the CSI program. For example, BCBP Intelligence has developed a prototype computer program (Global Targeting System) that follows all the movements of sea cargo containers worldwide. Understanding the

global movement of a container before it is declared to the U. S. could identify patterns of concern.

30. What are the roles of these offices? (Intel & OAT) What relationship, if any, is there between these offices and the IA/IP Directorate?

BCBP Answer:

The Office of Intelligence fundamental mission is to detect and identify criminal and terrorist groups and prevent them from penetrating the borders of the United States by disseminating intelligence to operational BCBP field units for use in detection and interdiction actions. The overriding areas of emphasis are to detect and track the movements of terrorists and/or their implements. This office is also the principle advisor to the Commissioner and BCBP senior officials on national level intelligence reporting.

The Office of Anti-Terrorism (OAT) serves as the principal advisor to the Commissioner and other senior officials on BCBP anti-terrorism programs. OAT monitors, coordinates, and assesses all policy, programs, and matters relating to terrorism in order to ensure that BCBP is maximizing its anti-terrorism efforts with regard to its border protection mission.

The Office of Intelligence maintains a very close relationship with IAIP and is the main BCBP conduit for interacting and interfacing with IAIP. BCBP Intelligence personnel meet regularly with IAIP analysts to discuss major issues and items of interest and we currently have a BCBP analyst stationed at IAIP.

The Office of Anti-Terrorism (OAT) is the coordinating body for BCBP anti-terrorism efforts. The OAT also continue to be representatives for BCBP on anti-terrorism policy and strategic matters with our homeland security partners and continues raising awareness in the interagency community of BCBP capabilities and contribution to the national effort in combating terrorism. Although OAT is non-operational in things such as supporting National Security Special Events, the operational offices, including the Office of Investigations, and the Office of Field Operations, will continue to be the lead contacts for Customs, while participating in an assessment and coordination, assessment and advisory role, to include review of procedures and best practices.

Question: 31. Since there is no single watch list, which watch list does BCBP use? How did BCBP determine to use that particular list or lists? Is BCBP involved in any effort to consolidate these lists?

BCBP Answer:

BCBP does not use any one Watch list. BCBP incorporates suspect terrorist data from various sources into the Treasury Enforcement Communication System (TECS). The TECS system is part of the Interagency Border Inspection System (IBIS) that is the primary database used by BCBP inspectors for the processing of people entering the United States. TECS Records reside in this database on persons who are associated with terrorist or criminal activity.

TECS records are created from data received from the TSA "No Fly List", and from the State Department TIPOFF program. Moreover, daily intelligence reporting is received from the Intelligence Community and from the FBI with information identifying suspect terrorist(s) who have plans to travel to the United States. This data is placed into the TECS system with a subject record created on each suspect person.

Question: 32. Has BCBP been provided access to such a system (TICS)? Is BCBP aware of the existence of TICS?

BCBP Answer:

BCBP was recently made aware of TTIC's plan regarding the Terrorist Screening Center (TSC). Once the system is fully operational BCBP will have access to TSC data. BCBP is planning on assigning personnel to the TSC.

Question: 33. Can BCBP estimate how many "false positives" and how many "false negatives" it has per year? What is BCBP's goal for a reasonable or expected level of false positives and false negatives? (Turner)

BCBP Answer:

BCBP's ability to make determinations regarding admissibility at the border is only as good as the information available. False Positives and Negatives arise when insufficient data is input into the associated record or insufficient information is available for the Inspector. Inspectors will err on the side of caution and refer subject of lookouts for secondary inspection. During secondary inspection more time can be taken to insure that no "false positives" or "false negatives" occur. BCBP expects that these will occur from time to time, however, the inspection process is sufficient to answer the questions of identity and admissibility that will arise.

The Northern Border, stretching some 4,000 miles, has been historically understaffed. The USA PATRIOT Act authorized INS to triple the personnel on the Northern Border from 2001 levels, including support staff positions. In previous testimony, Commissioner Bonner indicated that there were 2,291 positions on the Northern Border just after September 11th. The most recent figures he submitted for FY 2004 are 5,058. He indicated that the full amount of personnel have not been hired because there was not enough support staff to assist the new Inspectors.

34. When will BCBP have the number of Inspectors called for by the USA PATRIOT ACT? What level of resources will be required? How many of these new positions hired since 9/11 are support staff? (Sanchez)

BCBP Answer:

The PATRIOT Act calls for tripling the number of Customs Service personnel and tripling the number of INS Inspectors at Ports of Entry along the Northern Border. Since 9/11, the number of Immigration Inspectors along the Northern Border has increased by 2.4 times and the number of Customs Inspectors has almost doubled. When BCBP will be able to triple the number of Inspectors along the Northern Border will depend on appropriating additional Inspector positions for these locations and retaining previously hired Inspectors.

Current on-board at Northern Border Ports of Entry (POEs):

Immigration Inspectors = 1,253

Customs Inspectors = 2,010

On-board staffing immediately after 9/11 at Northern Border POEs for Inspectors and Canine Enforcement Officers (CEOs) deployed to the actual border crossings on the Northern Border was 1,615. This includes all the Inspectors and CEOs from the legacy organizations of Customs, INS and APHIS, not staff performing functions other than the Inspectors and CEOs, or staff that are deployed to locations other than the actual border crossings, such as POEs not located at the border or at the Customs Management Centers (CMCs).

Note: The totals provided here only include Inspectors, not support staff. Since 9/11 the legacy INS and Customs organizations have not increased their support staff along the Northern Border.

A recent Congressional Quarterly article quoted a Canada expert at the Center for Strategic and International Studies saying that the reason for slow additions to the Northern Border is that there is no coherent strategy, but rather a series of patches.

Question: 35. What is BCBP's strategy for the Northern Border? Is the answer more personnel, different technology, or both? (Turner)

BCBP Answer:

The Bureau of Customs and Border Protection's (BCBP) strategy is to continue enhancing the security at our nation's borders. The strategy is designed to combat terrorists, as well as drug traffickers and other criminals. Currently, all border crossings are guarded on a 24-hour basis, either with personnel and/or surveillance technology. To accomplish our strategic mission of safe guarding the border, BCBP relies on a combination of several factors. These factors may include personnel, additional trusted traveler initiatives, and new emerging technology.

Programs such as NEXUS, FAST, SENTRI, and the Northern Border Hardening Project are just a few of programs that fall within our strategic goals for the Northern Border.

Though BCBP programs such as FAST and NEXUS provide dedicated lanes and booths for pre-approved, low risk shipments and travelers, the efficacy of these programs is hampered by poor infrastructure at some borders. For example, there might be a dedicated lane for low risk crossings, but there are no timesaving because both pre-approved and other travelers are stuck in traffic in a two-lane road leading to the dedicated lanes.

Question: 36. How effective are programs such as FAST and NEXUS in light of these infrastructure shortfalls? What plans are there to invest in infrastructure improvements? (Turner)

BCBP Answer:

These programs and processes are somewhat limited in potential until such time that road and bridge infrastructure are sufficient to allow FAST and NEXUS participants to move freely to and through the port. The transponder and proximity card technology used with FAST allows those qualified shipments to move expeditiously through the border. On the Northern Border, when a C-TPAT importer, C-TPAT carrier, and a FAST approved driver come together at a FAST lane, BCBP quickly processes the transported shipment at the booth and is less likely to be examine the shipment than if an unknown party was transporting the shipment.

NEXUS is hampered by inadequate infrastructure at almost all sites. This has an effect on timesaving for enrollees. Unfortunately, most of the infrastructure problems are intractable. Most NEXUS infrastructure is not controlled by BCBP. For example, the Detroit-Windsor Tunnel could not be expanded beyond its current two lanes, and it is unlikely that NEXUS enrollment will ever get to the point where the Tunnel Authority would dedicate one lane to NEXUS.

Also, the approach roads to NEXUS lanes are, for the most part, in Canada and are controlled by either the Canadian government or private corporations, not by the U.S. Government. This gives BCBP very little leverage in the improvement of the infrastructure. BCBP will continue to work with the Canadian government and other agencies and corporations to press for the improvement of the infrastructure. The saving of time is an important aspect of NEXUS, but it is not the only reason for the program's existence. The success of the program will depend as much on the speed and ease of the actual inspection process as it does on timesaving. Although NEXUS-enrolled vehicles may have almost the same wait as non-enrolled vehicles, the inspection itself will be faster and less intrusive because of the NEXUS process. People will not, in most cases, need to produce travel documents nor will they be required to answer more than one or two simple questions on acquisitions while abroad. In this way NEXUS has become an effective program.

Question: 37. Is BCBP making the investment to meet its border strategy? Why will it take years to hire the necessary number of Border Patrol agents? Can we afford to wait?

BCBP Answer:

Border Patrol hiring continues at a steady pace. By far the most critical component with regards to the successful implementation of the Border Patrol's enforcement strategy is personnel. Border Patrol Agents are the most essential element to gaining, maintaining and expanding control of our Nation's borders.

Border Patrol has a highly proactive recruitment and hiring program, and has taken aggressive steps to deal with attrition. Limited training availability prohibits Patrol from attaining its hiring objectives. These uniformed agents are bilingual and possess a full range of law enforcement authority. All new Border Patrol agents attend a 19-week Basic Training Academy followed by a 24-week Post Academy training program during their first probationary year.

Border Patrol hiring needs were greatly magnified by an unprecedented increase in the number of agents leaving the Service in Fiscal Year 2002. The FY 2003 Omnibus budget directed the hiring of an additional 570 Agents, bringing our current authorized end strength to 11,121.

Staffing increases, coupled with other resource investments, should enable the Border Patrol to exercise reasonable control over a far greater amount of our land borders. The number of additional personnel needed to obtain the desired level of control over our land borders will be carefully evaluated over time by examining apprehension statistics and other trends and by continuing to look at ways that technology and other assets can serve as effective force-multipliers.

INSPECTORS AT THE BORDER

A February 2003 Department of Justice Inspector General audit found that terrorism awareness training provided to new INS inspectors was not sufficient to make them aware of current terrorist tactics used to enter the United States.

Question: 38. What is BCBP doing to improve the training of these front-line inspectors? (Turner)

BCBP Answer:

Since its creation on March 1, 2003, BCBP has expanded anti-terrorism training to all of its inspectors regardless of which legacy agency they came from.

All BCBP Inspectors in the field received an interactive computer based training course titled "Detecting Terrorist Weapons." This self-study course provides information concerning our present knowledge of terrorist and terrorist weapons. Additionally, the Office of Field Operations has mandated that daily muster meetings are conducted at each of the ports to inform all BCBP inspectors of the present terrorist threat and recent terrorist intelligence activity. These meetings are also used as a platform for discussing information relative to anti-terrorism.

Students in the Customs Basic Inspector Training Program (USCSI) receive an 8-hour course devoted entirely to anti-terrorism, followed throughout their 55 days at the Academy by practical applications of the knowledge they acquired during this

course. A similar course has been added to the Immigration Officer Basic Training Course (IOBTC). In IOBTC, inspectors receive Terrorism Overview and Terrorist Strategies/Tactics. Legacy Immigration Inspectors also receive training on the several grounds of inadmissibility found in the Immigration and Nationality Act relating to terrorism during the Immigration Law III/Grounds of Inadmissibility course. As the legacy agencies have all been folded into BCBP, a new basic course of instruction is being developed and will become the curriculum for all BCBP officers in October 2003. The training program for the new Basic BCBP Inspector course will incorporate much of the curriculum of the former basic courses provided by legacy Customs, Agriculture and INS courses. Additionally, all officers will receive the same anti-terrorism training incorporating both classroom and practical exercises. The knowledge and skills they receive will be reinforced throughout their basic training program.

The Advanced Anti-Terrorism Training program has been completely rewritten to incorporate information relative to terrorism learned since September 11, 2001. This course had been provided primarily to legacy-Customs Inspectors at the Academy and due to demands on facilities and instructors, limited to approximately 200 students per year. This course has recently been redesigned to enable it to be taught on-site at various port locations and these classes are now offered to BCBP officers nationwide. Additionally, legacy-INS officers are being scheduled to attend the Weapons of Mass destruction training provided monthly by the Department of Energy through an agreement with BCBP in Richland, Washington.

Question: 39. Has BCBP identified the shortcomings that are preventing the Inspectors from making the right decisions on who is a high-risk traveler? What new resources are being devoted to fix this problem? (Turner)

BCBP Answer:

ENFORCE

The Enforcement Case Tracking System (ENFORCE) is an integrated system that supports enforcement case processing and management functions of the legacy Immigration and Naturalization Service (INS) and stores data in a single data structure. The Enforcement Apprehension Booking Module (EABM) is currently being modified to include immigration adverse action processing capabilities.

ENFORCE will support all enforcement processes and make enforcement data available at all levels of the Department of Homeland Security nationwide. ENFORCE will capture data on individuals, entities, and investigative cases, and support case processing from apprehension/inception through final completion. ENFORCE will be used to support field personnel by producing required forms and reports. Finally, ENFORCE will provide intelligence and management information to support decision-makers.

IDENT/IAFIS

The Automated Biometric Identification System and the Integrated Automated Fingerprint Identification System (IDENT/IAFIS) program was established to integrate the legacy INS IDENT database with the Federal Bureau of Investigation's (FBI) Criminal Master File known as IAFIS. These systems have been integrated into one system called IDENT/IAFIS. IDENT checks the subject's prints against a recidivist database of aliens who have previously been encountered by legacy INS and then queried IAFIS. IAFIS houses more than 48 million criminal records. Both of these systems are accessed through ENFORCE.

Continued deployment of IDENT/IAFIS to all major air, land and sea POEs will assist BCBP in identifying illegal aliens, criminals and terrorists who may attempt entry making this a nationwide dedicated program.

APIS

Advance Passenger Information System (APIS) is the means by which electronic passenger and crew manifests are submitted to BCBP by carrier organizations. These manifests are then queried against lookout databases prior to the passenger's arrival. This allows BCBP passenger analysis units at Ports of Entry and the BCBP National Targeting Center to identify persons of interest prior to arrival. This includes the identification of possible terrorists (through TIPOFF) and visa revocation subjects. When identified in advance, measures such as: 1-day lookouts, planeside meets and escorts can be arranged to ensure the appropriate inspection of such persons. APIS also allows the BCBP to meet various statutory mandates for electronic submission of manifests.

NCIC III

This system allows BCBP Inspectors to access criminal history data during primary inspection. Prior to NCIC III, BCBP Inspectors were alerted only to active wants and warrants for criminals. NCIC III provides the additional element of criminal

history. This gives BCBP more information to determine the admissibility of past criminal violators. Many (but not all) criminal convictions can render an alien inadmissible to the United States. NCIC III allows the BCBP to better protect the United States from the entry of inadmissible aliens. The same audit concluded that the INS lookout system does not always provide Inspectors with information such as lookouts for aggravated felons of individuals who have used stolen passports. The audit also found that there is a problem with transmitting classified information to the Ports of Entry.

Question: 40. Has BCBP inherited the same lookout systems from the INS? Are the same systems being used today? What is BCBP doing to improve the transmission of classified information, which characterizes much of the critical intelligence on terrorism? (Turner)

BCBP Answer:

BCBP continues to utilize legacy INS lookout systems in place prior to the consolidation of INS and USCS under BCBP. These systems include the Integrated Border Inspection System (IBIS), the Enforcement Case Tracking (ENFORCE) System, the Portable Automated Lookout System (PALS), and the National Automated Immigration Lookout System (NAILS).

The same automated interface between the legacy INS lookout system (NAILS) and the IBIS/TECS that existed prior to March 1, 2003 still exists today. NAILS and IBIS/TECS have long had an electronic interface. In addition, IBIS/TECS has been (prior to March 1) and remains the system through which all Port of Entry (POE) Inspectors run queries on travelers.

Currently, the U.S. Visit Team is working to increase communication between BCBP, and the Department of Justice where the legacy INS systems are located. BCBP is in the process of establishing a 24X7 redundancy for the Treasury Enforcement Communication System (TECS/IBIS) to eliminate situations where passengers must be processed when TECS is down.

BCBP's Office of Field Operations plans to construct a Sensitive Compartmented Information Facility (SCIF) at the National Targeting Center (NTC) which will allow BCBP to receive classified intelligence related to anti-terrorism and to disseminate such information to field personnel responsible for allocating personnel, facilities, and equipment necessary for responding to an identified threat.

BCBP's Office of Intelligence has been working on a new classified system, "Homeland Secure Data Network", that will upgrade the present classified system used to disseminate classified intelligence to BCBP field offices. This new system is designed to be user friendly and can handle classified information at the TS code word level. This system has been briefed to DHS and will service both BCBP and ICE.

A January 2003 report of a GAO Special Investigation revealed that Agents were able to enter the United States from Mexico, Canada, Jamaica and Barbados using fictitious driver's licenses and birth certificates from off-the-shelf computer software. BCBP staff never questioned the authenticity of the counterfeit documents. On two occasions, BCBP staff did not ask for any identification when the GSA Agents entered the United States from Mexico and Canada. One GSA Agent was able to walk across the border with Canada through a park without being detected by BCBP or Canadian authorities.

Question: 41. What is BCBP's position on whether a policy change is necessary on the identification required for United States citizens entering the United States from the Western Hemisphere? (Turner)

Presently, federal regulation exempts certain persons, such as U.S. citizens, from presenting a passport when arriving into the U.S. from most countries in the Western Hemisphere. Inspectors can allow a person to enter based upon only an oral claim of citizenship. Inspectors intercept thousands of aliens each year who falsely claim to be a U.S. citizen in order to unlawfully enter the United States.

Certainly, elimination of the Western Hemisphere and Canadian exemptions and introduction of a universal requirement that international travelers present a passport or other Federally-issued document would assist in combating imposture and false claims to U.S. citizenship. Passport applicants are checked against national watch lists before a passport is issued. Requiring a passport could potentially speed up the inspection time for the same reasons that NEXUS would. It is clear that these issues have significant legal, operational, domestic policy, and foreign policy implications, all of which must be analyzed and carefully weighed before a final recommendation and policy decision can be made.

Question: 42. What training is provided to BCBP Inspectors to recognize counterfeit documents? (Turner)

BCBP Answer:

Training for current employed inspectors to address 'one face at the border' has begun through development of incumbent training focused on a systematic process of examination to detect altered, counterfeit, or fantasy documents and methods for detecting if an impostor is presenting another's genuine documents. Shared services with the Forensic Document Laboratory at BICE for continued document examination training will also be identified. In the field, individual districts or ports of entry conduct training when new policies, procedures or mandates arise.

Training pertaining to counterfeit documents is provided during the BCBP Academy's Basic Inspector Training program and continues when the inspector reports to his duty station in the form of On-the-Job (OJT) training, as well as follow-up advanced training for inspectors who specialize in processing passengers.

Legacy-Customs Inspectors: As part of the cross-training provided to legacy-Customs Inspectors, the legacy-Immigration Officer Academy provides four hours of Document Examination training. This training covers impostors, U.S. passports and Permanent Resident Cards. In addition to the four hours, the BCBP Academy's Basic Inspector curriculum for legacy-Customs Inspectors includes practical exercises, labs and final examinations where students have hands-on opportunities to apply what they learned in document examination training.

Legacy-INS Inspectors: Legacy-INS Inspectors receive 18 hours of Document Examination instruction. Their course covers Counterfeiting, General Passport Examination, U.S. Passport Examination, U.S. Visa Examination, ADIT and ICPS Documents, Reentry Permits, Refugee Travel Documents, Employment Authorization Documents, and Review. The inspector trainee must pass an examination on these subjects or be removed from training.

New BCBP Inspectors: Beginning in October 2003, under the new BCBP Basic Inspector Course, trainees will receive 14 hours of Document Examination training. The training these inspectors will receive will cover those documents that can be seen during primary inspections. The course will be similar in structure to what is currently taught to the legacy-INS Inspectors and is an integral component of the new curriculum for all BCBP Inspectors.

The new curriculum that will be taught to all BCBP Inspectors beginning October 2003 will include the following:

Interviewing	2 Hours
Analyzing Documents	2 Hours
Interviewing Laboratory	8 Hours
Interviewing Lessons Learned Briefing	2 Hours
Document Examination	14 Hours
Passenger Processing Lab	4 Hours
Passenger processing Final Practical Exercise	4 Hours
Total	36 Hours

All legacy-Customs Inspectors reporting to a land border port of entry have in the past, been provided with additional classroom and OJT training in document analysis and fraudulent documents as part of their certification for cross designation. Legacy-Customs Inspectors assigned to passenger processing roving inspection functions at land borders, airports, and seaports also receive additional training in analyzing travel documents and interviewing techniques as part of the curriculum in the following advanced courses: Passenger Interview and Vehicle Inspection Training (PIVIT), Passenger Enforcement Rover Training (PERT) and Sea Passenger Analysis Training, (SEAPAT).

US VISIT

The US—VISIT system is supposed to be implemented by the end of the year. The SEVIS system is supposed to be operational by August. BCBP Inspectors will use both of these systems.

Question: 43. Will the Inspectors be ready to use these systems effectively by these deadlines? Have the Inspectors been training on them? Does BCBP have any recommendations on the implementation of these systems, either in timeline or suggestions to improve the system? Given the well-publicized technical problems with SEVIS, what assurances can BCBP give that US VISIT will not suffer from the same? (Turner)

BCBP Answer:

BCBP Inspectors will be ready for their role in the implementation of the US—VISIT systems by the December 31st deadline. BCBP is working very closely with the US—VISIT office in developing the training, and implementation facets of the US—VISIT system. The US—VISIT office and their information technology-working

group have been working on resolving potential technical problems when the system is implemented.

Question: 44. In prior testimony before the House Appropriations Homeland Security Subcommittee, Commissioner Bonner testified that US Visit is in the FY 2004 budget request for BCBP, but there is no programmatic control. If you do not have control over the program, why is it in your budget? (Sanchez)

BCBP Answer:

At the time that the FY 2004 budget was being finalized, the Department of Homeland Security and BCBP was just beginning to take shape. Initially, it was believed that the US Visit program would be coordinated through BCBP. Subsequent discussions have placed accountability and ownership of the US Visit program within the Border and Transportation Directorate. At a minimum, the program was carried within the FY 2004 Customs and Border Protection budget as a placeholder, until the details of ownership became clearer.

Question: 45. The US—VISIT system is supposed to be implemented by the end of the year, and the SEVIS system is supposed to be operational by August. Your Immigration Inspectors will use both of these systems. Will they be ready to use these systems effectively by these deadlines? Have they been training on them? Do you have any recommendations on the implementation of these systems, either in timeline or suggestions to improve the system? Given the well-publicized technical problems with SEVIS, what assurances can you give that US VISIT will not suffer from the same technical problems? (Sanchez)

BCBP Answer:

BCBP Inspectors will be ready for their role in the implementation of the US—VISIT systems by the December 31st deadline. BCBP is working very closely with the US-VISIT office in developing the training, and implementation facets of the US-VISIT system. The US-VISIT office and their information technology-working group have been working on resolving potential technical problems when the system is implemented.

Personnel

46. Please provide a list of staffing levels at ports and border points of entry from 2001, 2002, and to date. (Sanchez)

Bureau of Customs and Border Protection

Office of Field Operations

AS OF JUNE 16, 2003

Inspectional Staff for All Locations

	FY01	FY02	Current
Customs	8,184	9,008	9,488
Immigration	4,717	5,422	6,080
Agriculture	* 0	* 0	1,575
Totals	12,901	14,430	17,143

* indicates that historical totals are unavailable

Inspectional Staff for Northern Border

	FY01	FY02	Current
Customs	1,027	1,405	1,459
Immigration	523	625	920

Inspectional Staff for Northern Border—Continued

	FY01	FY02	Current
Agriculture	65	84	147
Totals	1,615	2,114	2,526

Inspectional Staff for Southern Border

	FY01	FY02	Current
Customs	2,617	2,566	2,640
Immigration	1,372	1,542	1,666
Agriculture	382	367	236
Totals	4,371	4,475	4,542

Question: **47. Please address the fact that at our nation's busiest port, the port of Long Beach/Los Angeles, one of our nation's busiest ports, there have been minimal increases in staffing levels since 2001? (Sanchez)**

Inspectional Staff at Long Beach/Los Angeles

	FY01	FY02	Current
Customs	487	499	603
Immigration	295	316	374
Agriculture	* 0	* 0	143
Totals	782	815	1,120

* indicates that historical totals are unavailable

Between FY 2001 and the present, on-board staffing at the LB/LA port has increased. During that time, Congress passed and the President signed into law both the Emergency Supplemental of FY 2002 and the FY 2003 Annual Appropriations Bill, which together included 51 positions for deployment to the Long Beach/Los Angeles (LB/LA) Port. More recently, the Wartime Supplemental of FY 2003 was passed and signed into law. It includes more positions for the LB/LA Port. The Department is currently reviewing the spending plan that Congress has required prior to the deployment of these positions.

Question: **48. Does your fiscal 2004 budget request take staffing deficiencies into account? (Sanchez)**

BCBP Answer:

Yes, staffing deficiencies are taken into account. One of the factors that Administration budget officials take into consideration when formulating an annual appropriations request is a staffing shortfall, but it is not the only factor. Another factor to consider when formulating a budget request is the existing threat level at the various Ports of Entry. Increased levels of threat must be evaluated and prioritized in comparison to staffing shortfalls and the resources available when formulating a budget request. The Federal budget process is a highly deliberative process that requires Administration officials to take account of the finite resources available within the Department of Homeland Security (DHS) and the Bureau of Customs and Border Protection (BCBP) in making their recommendations. More importantly, BCBP and DHS officials increasingly consider how the Bureau can work "smarter" by employing new technologies and novel approaches that accomplish the Bureau's mission and conserve resources.

In recent years, labor saving technologies and novel strategies and approaches have allowed BCBP to accomplish its mission despite relatively static staffing levels. Technology that acts as a force multiplier, such as Non-Intrusive Inspection (NII) Equipment, is initially very costly to procure and implement, but allows BCBP to more efficiently accomplish its mission with fewer staff than would otherwise be necessary once the equipment is operational. Automated Targeting Systems (ATS) help BCBP to effectively manage an ever-increasing workload while accomplishing the Bureau's mission in a relatively static staffing environment. BCBP's objective is to inspect 100 percent of the high-risk cargo and passengers entering the country. The rule based software that is the essence of ATS allows BCBP personnel to focus their efforts on the relatively small percentage of commerce that exposes the American public to a high risk and allows the passage of the vast amount of law abiding commerce that contains little or no risk.

Other methods that BCBP uses to manage risk and accomplish its mission while minimizing the impact on its staffing levels are its industry partnership programs, such as Free and Secure Trade (FAST) and the Customs-Trade Partnership Against Terrorism. These programs enlist the support of private industry in securing their shipping supply chains against unwarranted tampering. The Container Security Initiative (CSI) will not add staff to domestic ports, but will provide greater levels of security to this country by adding staff and technology at foreign ports. This additional layer of inspection at foreign ports will help alert BCBP officials to any "high-risk" shipments before they reach this country. As a result, domestically based inspectional personnel can focus their energies on the high-risk commerce to which this country is already exposed and expedite the flow of the legitimate commerce. **In recent testimony before the House Appropriations Subcommittee, Commissioner Bonner was asked about the high rate of turnover both among the Border Patrol and INS Inspectors, and he pledged to do everything possible to address the problem.**

Question: 49. What specific actions is BCBP taking to improve the high turnover rates among these employees? (Turner)

BCBP Answer:

BCBP continues to monitor turnover of employees and plans various recruitment efforts throughout the year to ensure the pipeline of qualified candidates is adequate to fill positions that become vacant during the fiscal year. Field Offices are encouraged to plan for attrition and authorized to begin filling proposed vacant positions at the beginning of the fiscal year. This also assists in decreasing the gap between the separation date of an employee and the enter-on-duty date of a replacement.

Border Patrol has taken aggressive steps to deal with attrition of Border Patrol Agents, in response to FY02's record attrition (18 percent). First and foremost, Border Patrol was successful in coordinating efforts to raise the journeyman level from GS-9 to a GS-11. Headquarters Border Patrol recently convened a retention focus group made up of field representatives. Several key recommendations from the group have been implemented in the field and will serve to enhance future retention. The Border Patrol is continuing efforts to develop a career path program for Border Patrol Agents, and is in the process of developing a Leadership Assessment program for Border Patrol Agents who are considering a management position.

In the area of recruitment, Border Patrol is implementing more strategic recruiting practices, and refining the recruitment process, focusing recruitment efforts on targeting and attracting applicants who would like to make the Border Patrol a career choice. These efforts have begun to pay dividends. For example, the current FY 03-attrition rate has dropped to 10.4 percent.

Question: 50. Will these Inspectors continue to work in the areas of their expertise, or will they be expected to learn all of these jobs? How does BCBP plan to make sure expertise is not lost?

BCBP Answer:

Inspectors from all disciplines are currently working side-by-side, applying their own expertise while becoming familiar with new aspects of the job. The intention is to have "one face at the border" carrying out all inspectional responsibilities at the ports of entry. To that end, cross training has begun at several of the largest ports in order to unify some aspects of operations by October 1. New hires beginning their basic training on or after October 1 will be schooled in all BCBP procedures, policies, laws and regulations, across the legacy disciplines. Formal cross-training for all current officers from legacy Customs, Immigration, and Agriculture will be rolled out in early 2004.

Question: 51. What Specific labor issues pose an impediment to CBP in fulfilling its mission?

BCBP Answer:

BCBP is continuing to meet its statutory obligations to notify and negotiate with the multiple unions representing employees within the newly formed BCBP structure. Although, it has been extremely challenging to maintain the different and sometime conflicting policies and labor agreements (such as those related to the assignment of personnel and scheduling of employees for their duties, which include counter-terrorism), BCBP continues to fulfill its mission.

Question: 52. Richard Stana of the GAO testified during the hearing that GAO has found that inspectors report a lack of training, and a heavy workload that would preclude training even if it were offered. Please describe the training offered to BCBP Inspectors, the subjects covered duration of training programs, and frequency of training. (Turner)

BCBP Answer:

All legacy-Customs Inspectors are required to attend and successfully complete the Basic Inspector Training Program at the Bureau of Customs and Border Protection (BCBP) Academy when they enter the positions. The curriculum includes 55 days of intensive training in firearms, officer safety and arrest techniques, U.S. Customs law, Immigration law and processing, passenger and trade processing, anti-terrorism, BCBP authority, interviewing techniques, document analysis and fraudulent document detection and the skills necessary to utilize the BCBP automated systems. The current BCBP Basic Inspector curriculum includes:

Customs Law	22 Hours
Anti-Terrorism	12 Hours
Passenger Processing	24 Hours
Immigration Cross training	24 Hours
Document Analysis	20 Hours
Firearms	48 Hours
Physical Techniques & Officer Survival	73 Hours
Automated Systems	32 Hours
Trade Processing	24 Hours
Passenger processing	32 Hours
Comprehensive Examination	16 Hours
Other instructional topics (integrity, EEO, etc)	71 Hours
Administrative topics (uniform issue, etc.)	12 Hours
Total Hours:	440 Hours
Total days:	55 Days

All legacy-Immigration Inspectors are required to attend and successfully complete the Immigration Officer Basic Training Course (IOBTC). That curriculum is 59 days in length with an additional 25 days of Spanish Language Training for those Inspectors who are unable to demonstrate a minimum level of oral Spanish proficiency. The current IOBTC curriculum includes:

Nationality Law	24 Hours
Immigration Law	80 Hours
Operations Training	24 Hours
Inspections Field Training	34 Hours
Automated Data Processing (including IDENT)	16 Hours
U.S. Customs Cross Training	24 Hours
Document Examination	18 Hours
INS Collapsible Steel Baton and INS OC Spray	16 Hours
Physical Techniques	46 Hours
Miscellaneous INS instruction and Practical Exercises	42 Hours
Firearms	44 Hours
Other instructional topics (integrity, EEO, etc)	84 Hours
Administrative topics (uniform issue, etc.)	20 Hours
Total hours:	472 hours
Total days:	59 days

The new BCBP Basic Inspector Training Program that will begin October 1, 2003 is being designed to merge the existing curriculums of the legacy INS, Customs and Agriculture inspector basic courses. This new integrated course will include additional Customs, Immigration and Agriculture related curriculum to provide the training necessary to prepare the BCBP Inspector to function in their integrated role. The course length will be increased from 55 to 71 days.

In addition to the basic training provided, multiple advanced training opportunities are conducted at the Academy or at field locations nationwide. These courses include:

TRAINING PROGRAM	HOURS	BRIEF DESCRIPTION
Air Automated Manifest System	24	Delivered at the Academy. Provides training needed to enable the student to review, target and process cargo arriving by air through an automated system.
Advanced Anti-Terrorism	24	Delivered at the Academy—Provides training in current terrorist threat, Al Qaida Training Manual, Chemical and Biological weapons, bombs and explosives, and the workings of an incident command center.
Consolidated Advanced Terrorism	16	Delivered on-site at the inspector's port. Contains all of the advanced Anti-Terrorism Training except the practical exercises at the bomb/explosive range.
Automated Export and Automated Targeting System	24	Delivered at the Academy providing inspectors who are primarily involved with enforcing export laws training in the automated export system and how to target shipments for examination.
Bonded Warehouse	24	Delivered at the Academy and provides training on the Customs oversight and regulation of bonded warehouse operations.
Carrier Post Audit	24	Delivered at the Academy and provides training to those inspectors assigned to monitor carrier compliance with manifest liquidation and cargo custodial responsibilities.
Confined Spaces	24	Delivered at field locations and provides inspectors with the skills necessary to ensure safe examinations and searches of conveyances with confined spaces. Inspector is trained to ensure the space is safe to enter prior to beginning a search.
Cargo Security Initiative	80	Delivered at field locations and provides inspectors preparing for an assignment at one of several overseas post of duty where they will target containers suspected of containing weapons of mass destruction, or other terrorist weapons for examination prior to being laden on vessels for the United States.
Foreign Trade Zone	24	Delivered at the Academy and provides inspectors the knowledge necessary to enforce Customs custodial and regulatory responsibilities concerning Foreign Trade Zones.
Hazardous Materials	40	Delivered at the Academy and provides first responder training for Hazardous materials Handling.
Land Border Interdiction	40	Delivered at Hidalgo/Pharr, Texas and provides inspectors with hands on training in inspecting cargo conveyances arriving at land borders.
National Airport CET	64	Delivered at Miami International Airport and provides inspectors with hands on training in inspecting cargo, aircraft and conveyances at international airports.
National Contraband Enforcement	64	Delivered at the Miami Seaport and provides training in the examination of vessels, cargo and containers at seaports.

TRAINING PROGRAM	HOURS	BRIEF DESCRIPTION
Outbound/Exodus	24	Delivered at the Academy and provides training to inspectors assigned to export enforcement to protect against the unlicensed or authorized export of high technology, weapons or monetary instruments.
Outbound Currency Interdiction	48	Delivered at JFK Airport and provides training to inspectors in targeting and detecting unreported currency transported by departing international travelers.
Passenger Analysis Unit	40	Delivered at field locations and provides training to inspectors assigned to targeting arriving air and sea passengers based on information transmitted electronically by the airlines and cruise ships prior to their arrival in the United States.
Passenger Enforcement Rover	48	Delivered at Miami International and JFK Airports and provides inspectors assigned to passenger rover operations with the skills necessary to identify and target passengers smuggling contraband through international airports.
Seaport Outbound	48	Delivered at Newark Seaport and provides inspectors with the skills necessary to target outbound cargo shipments that may contain unreported currency or monetary instruments.
Sea Passenger Analysis Team	64	Delivered at Miami Seaport and provides the skills necessary to perform advanced targeting of arriving cruise ship passengers and to perform the interception, interview and examination of those passengers upon arrival.
Vehicle Auto Theft Outbound	24	Provides inspectors with the skills necessary to target and examine vehicles being exported from the United States that may be stolen.

Finally, BCBP Inspectors also receive training from their Field Training Officers concerning changes in policy and procedures such as initial and refresher training for conducting personal searches within BCBP policy, professionalism, interpersonal communications and diversity.

SARS

In testimony before the House Appropriations Subcommittee on Homeland Security, Commissioner Bonner testified that he has the power to detain people displaying the symptoms of SARS.

Question: 53. What are the sources of that authority? How long can BCBP detain these travelers? When would the travelers be released? (Turner)

BCBP Answer:

BCBP's authority to detain individuals displaying symptoms of SARS is found in 42 U.S.C. § 264, 42 U.S.C. § 265, 42 U.S.C. § 268, and 8 U.S.C. § 1182 (a)(1)(A)(i). BCBP may detain a traveler displaying symptoms of SARS for a period of time until further determination by Public Health or the Centers for Disease Control (CDC) can be made. Under 42 U.S.C. § 268, it shall be the duty of the Customs officers and of Coast Guard officers to aid in the enforcement of quarantine rules and regulations. Under 8 U.S.C. § 1182 (a)(1)(A)(i) any alien determined to have "a communicable disease of public health significance" can be denied entry into the United States.

The traveler would be released once a Public Health, CDC, or medical official has determined that the individual does not have SARS or any other communicable disease. Release of a traveler by Public Health, CDC or a medical official, in the case of an alien, does not guarantee entry in the U.S. All immigration criteria must be met.

The roughly 30,000 employees in BCBP are currently represented by six labor unions. After meeting with union representatives recently, Commissioner Bonner's Chief of Staff was quoted as saying that collective bargaining agreements will not compromise BCBP's ability to carry out its mission.

Question: 54. What training has been provided to BCBP Inspectors to be able to spot a traveler with SARS? (Turner)

BCBP Answer:

BCBP Inspectors do not receive formal training from Public Health or the CDC because BCBP Inspectors are not medical officers, nor do BCBP Inspectors make determinations on whether a traveler has a communicable disease such as SARS. BCBP Inspectors utilize guidance distributed by Public Health, CDC, and/or the World Health Organization to look for possible signs a traveler exhibiting the symptoms of a communicable disease. Based on guidance, responses to questions asked of the traveler, and other factors, BCBP Inspectors might detain a traveler until further determination by a medical officer can be made.

Everyone has experienced the new procedures, delays, and red tape associated with moving things or people across the border. We simultaneously appreciate the need and feel impatience. Although technology is not a panacea, it should make inspections faster and ease delays.

Question: 55. Has BCBP submitted anything beyond the Administration's 2004 budget request for DHS? Are any justification material available regarding the FY 2004 budget beyond the basic justification book? If so, please submit them as soon as possible to the Select Committee. (Turner)

BCBP Answer:

No. The FY 2004 budget request submitted as part of the President's budget submission traditionally serves as the primary vehicle and tool in which to justify budget requests for Congress and the President. Prior to this document and as part of standard development procedures, each legacy BCBP organization submitted its budget requests through their normal channels. The requests that made it through those processes were consolidated into a unified BCBP request once the Department of Homeland Security was implemented. This document served as the BCBP FY 2004 request for Congress and the President.

Other than Questions for the Record, no other justification material is available at this time. If the Subcommittee has specific questions, BCBP will work to address these as needed.

Question: 56. Does the Administration's FY 2004 request adequately fund gaps in manpower at our nation's borders? Is the request consistent with optimum staffing levels for the border? (Turner)

BCBP Answer:

The United States has almost two thousand miles of border along Mexico and over five thousand five hundred miles of border with Canada. Any increase in staffing on the Northern or Southwest borders, or in other locations with a potential for terrorist activity, would provide additional border security and law enforcement effectiveness. Evaluation of optimum levels and gaps in manpower is considered an ongoing process. As areas for improvement are identified, the optimum levels may fluctuate. In addition, as the consolidation of BCBP continues to evolve and take shape, potential optimum staffing levels will inevitably become clearer as well. As the agency matures and the positions and technology provided in the FY 2004 budget are deployed, BCBP will continue to assess any gap between existing resources and optimal staffing.

Question: 57. What is the Bureau of Customs and Border Protection (BCBP) doing to cure the fundamental weaknesses found by the General Accounting Office (GAO)?

BCBP Answer:

The following highlights the actions taken by BCBP in response to the four recommendations in the GAO's February 2003 report Customs Service Modernization: Automated Commercial Environment Progressing, But Further Acquisition Management Improvements Needed. The BCBP response to these and other recommendations that the GAO currently classifies as open were reported to Congress in the June 15, 2003, ACE Report to Congress.

GAO Recommendation: Immediately develop and implement a Customs and Border Protection Modernization Office (CBPMO) Human Capital Management Plan (HCMP), develop and implement missing HCM practices, and report quarterly on progress.

In ongoing efforts to implement the Modernization Strategic HCMP approved by the Assistant Commissioner, OIT, in October 2002, the CBPMO has focused on (1) core and job-specific competencies, (2) filling key permanent positions with experienced staff members, (3) training, and (4) refining the work plan to implement the HCMP. The CBPMO has defined its core and job-specific competencies and is using them to help define learning and development needs for existing employees, and to recruit and select new employees.

Other HCM initiatives include:

- Completed assignment of a:
 - Program Control Team Lead who has primary responsibility for oversight of the CBPMO program management and technical support contracts.
 - HCM and Training Team Lead from OIT's Resource Management Group who regularly participates in CBPMO human capital activities and serves as a liaison to HRM.
 - Contractor who is focusing on human capital planning and management and has key responsibilities in continuing to implement the HCMP.
- Development of a Manager's Orientation Toolkit and new employee sponsorship as part of a comprehensive orientation program designed to provide new CBPMO employees with a sense of direction, purpose, and commitment.
- Conducting a training needs assessment and developing the FY04 Training Plan.
- Contracting for an OIT human capital capability assessment.

GAO Recommendation: Develop and implement process controls for Software Acquisition Capability Maturity Model (SA-CMM) Level 2 Key Process Areas (KPAs) and Level 3 Acquisition Risk Management KPA; develop and implement missing SA-CMM practices and report quarterly on progress.

Achieving SA-CMM Level 2 process maturity has been identified by the GAO as a critical success factor for the ACE project. A key element of the assessment is to assess the software acquisition practices associated with the transition of initial ACE capabilities to the operations and maintenance environment, which is scheduled for September 2003. The formal assessment, including the associated SA-CMM transition practices, will be scheduled once initial ACE capabilities become operational.

To gauge its progress on implementing the processes and procedures that are currently in place, the CBPMO contracted with the Software Engineering Institute (SEI) for a non-rated assessment in May 2003. The assessors reviewed more than 700 documents and interviewed 13 key CBPMO personnel. In their post assessment briefing, the assessors identified 104 findings—84 strengths, four alternative practices considered as strengths, and 16 weaknesses (there were two practices in the Transition to Support process area that were not assessed). Two weaknesses were noted in the Level 3 Acquisition Risk Management KPA not required to achieve Level 2. An internal Process Improvement Action Report was developed after the assessment, and corrective actions are being taken to address these weaknesses. After the CBPMO receives the SEI Final Report in mid-July 2003, the CBPMO will formally review the findings and develop a Process Improvement Strategic Plan. The plan will focus on ensuring that the SEI findings are resolved in a timely manner in preparation for the formal assessment in fall 2003.

GAO Recommendation: Establish an Independent Verification and Validation (IV&V) function to assist the BCBP in overseeing systems integration contractor efforts, such as testing.

The CBPMO previously implemented a range of IV&V actions that conform to contemporary practices and have provided value in terms of reduced risks. The CBPMO Executive Director provided an updated status on IV&V to the BCBP's Modernization Executive Steering Committee during its June 2003 meeting.

In summary, the CBPMO:

- Briefed the GAO on its Integrated IV&V (I2V2) approach. As a result, the GAO representatives indicated they had a better understanding of BCBP's approach.
- Indicated that the MITRE Corporation, as BCBP's Federally Funded Research and Development Center, is the lead organization in conducting I2V2.
- Assured the GAO representatives that MITRE has a mechanism to take ACE project concerns outside of CBPMO channels directly to the Assistant Commissioner, OIT.
- Is finalizing the BCBP Modernization I2V2 Strategic Plan, which is in the internal BCBP review process. The CBPMO is currently developing the supporting IV&V processes, with an anticipated completion by August 2003.

GAO Recommendation: Take appropriate steps to have future ACE expenditure plans specifically address proposals or plans to extend or use ACE infrastructure to support other homeland security applications.

The BCBP acknowledges the requirement to include proposals or plans to use the ACE for homeland security applications and will include such information in future expenditure plans when applicable.

Question: 58. Please describe for the Subcommittee what the new system will do, why it is important, what it will cost, and when it will be ready?
BCBP Answer:

The Automated Commercial Environment (ACE) will serve as the information technology platform for the Customs-Trade Partnership Against Terrorism and the Container Security Initiative, helping the Bureau of Customs and Border Protection (BCBP) achieve its twin mission of border security and trade facilitation. The BCBP currently uses the outdated Automated Commercial System (ACS) to process the huge number of shipments that cross our borders each year. The ACS has exceeded its life expectancy and simply will not meet long-term requirements driven by enforcement responsibilities, the growth in trade, and new legislative demands.

ACE will allow the U.S. Government to “push out our borders” and achieve worldwide visibility of the commercial supply chain. The information-sharing capabilities of ACE will also enhance border enforcement efforts. The earlier information is available in the supply chain, the better the opportunity BCBP and other agencies have to successfully target and intercept suspect shipments prior to reaching our borders.

ACE will support both BCBP and the trade community by processing imports and exports more efficiently and automating time-consuming and labor-intensive transactions. By creating a single Internet-accessed system, ACE will enable interactive communication and collaboration across BCBP, border agencies, and the trade community. ACE will also provide importers with national views of their activities, thereby helping them to improve their compliance. Implementation of ACE will create the following benefits for BCBP and the trade community:

- Paperless e-filing
- Consolidated statements and periodic payment
- Reduced data entry
- Streamlined automated manifests
- National account management
- Streamlined billing, collections, refunds, quota, and duty filings.

The ACE project continues to make progress, and has completed training on initial ACE capabilities with selected BCBP users and the first 41 trade accounts, and testing continues. In early September 2003, a decision will be made as to the operational readiness of the initial ACE capabilities. Users will have access to the ACE Secure Data Portal, which will provide a national view of an account's performance in all phases of its activities with BCBP. Examples include compliance issues relating to import or export transactions, compliance with rules and regulations, payment history, and an auditable record of the significant activities that occur between BCBP and a trade account. Also available will be Quick View Reports—summary reports available through the Harmonized Tariff Schedule about BCBP-related activities (i.e., Aggregated Entry Summary Compliance reports).

Generally, additional ACE functionality will be rolled out at six-month intervals. BCBP is currently reviewing a revised ACE program plan intended to solidify the sequencing of the capabilities that will be deployed. The ACE development costs are projected to be \$2.0 billion, with development currently scheduled to be completed in March 2007.

Question: 59. What has been the effect of any new technology on the amount of time that it takes to import goods into the United States? (Camp)

BCBP Answer:

The transponder and proximity card technology used with FAST allows those qualified shipments to move more quickly across the border. On the Northern Border, when a C-TPAT importer, a C-TPAT carrier, and a FAST approved driver come together at a FAST lane, the shipment they are transporting is more quickly processed at the booth and less likely to be examined than shipments entered by unknown parties.

Non-Intrusive Inspection (NII) technology provides for a more effective and efficient, as well as less invasive, method of inspecting cargo, compared with drilling or dismantling of conveyances or merchandise. Large-scale NII equipment includes x-ray systems and gamma-ray imaging systems such as VACIS. In addition, radiation detection technology seamlessly screens cargo and containers for the presence of radiation.

These technologies are viewed as force multipliers that enable us to more quickly screen or examine a larger portion of the stream of commercial traffic while facilitating the flow of legitimate trade and cargo. NII technology greatly reduces the need for costly, time-consuming physical inspection of cargo containers and provides us with a picture of what is inside containers and conveyances.

Question: 60. What has been the biggest challenge in getting new technology out to the inspectors at the ports around the country?

BCBP Answer:

While the introduction of new technology is always a challenge, there is no one major or biggest challenge. Our ports of entry and other BCBP locations have different configurations, widely different climates, various land and building owners, and a multitude of Federal, state, and local laws and regulations. Each of these items must be taken into consideration when deploying new technology, regardless of the type or size of the technology. We overcome these challenges with close and repeated coordination with port, state, and local officials; detailed site surveys for large installations; and training following installation or deployment of the technology.

Question: 61. Congress passed legislation last year authorizing the Department of Homeland Security to require advanced manifests, but Congress created a structure in which the various importer and carrier interests would be involved. Specifically, Congress wanted the Department to accommodate the varying modes of transportation. For example, air express couriers and trucking companies often do not have any information on their cargo 24 hours before transporting them. What has the Department done to create an open rule-making process, and how has the carrier industry been accommodated? Are there any groups dissatisfied with the regulations developed to this point?

BCBP Answer:

To create an open rule-making process in developing the advance manifest proposed rules and to accommodate the carrier industry, BCBP held meetings with the trade community for each mode of transportation: air, truck, rail and sea. Meetings were held on:

January 14, 2003—Air
January 16, 2003—Truck
January 21, 2003—Rail
January 23, 2003—Sea

BCBP created strawman proposals and posted them to the official agency web site prior to the meetings as a starting point to stimulate dialogue. The proposals were issued for the purpose of generating discussion among the trade, explaining our current automated system capabilities, and exploring whether the loading of the conveyance should trigger the submission time for the cargo data.

Although these proposals were not well received by the trade community, they were very instrumental in generating feedback and due to the public meetings, BCBP received many comments before developing the proposed rules.

Additionally, as noted earlier, COAC created subgroups for each mode of transportation (air, truck, rail and sea) to provide comments and recommendations on how to implement the Act.

At this time, BCBP would like to believe that most trade groups should be pleased that BCBP listened to their comments, and in many cases adopted their recommendations. We believe that the NPRM reflects a careful effort to strike the appropriate balance between security and trade facilitation. While we suspect that some groups such as short-haul air carriers may not be thoroughly pleased, it is too early in the process to be specifically aware of any particular groups dissatisfied with the proposed regulations.

Question: 62. Has BCBP done a comprehensive assessment of how many new Customs employees are needed to fulfill its new security mission since September 11th? (Sanchez)

BCBP Answer:

BCBP has received additional resources through regular appropriations, supplemental funding and an overall increase in our Inspector corps as a result of the March 1, 2003, transition to BCBP. On a continuous basis we are reviewing the need for resources. As new initiatives or technology are proposed we review our resource needs, and if appropriate, request additional resources through the budget process.